



[Registration No. 200501037512 (719660-W)]



EMPOWERING GROWTH THROUGH CIRCULAR SOLUTIONS

ANNUAL REPORT 2025

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COVER RATIONALE

This cover reflects Nextgreen's commitment to empowering growth through circular solutions, in line with the Group's focus on sustainability, renewable energy, and zero-waste principles. The merged images in an infinity-inspired design convey continuity and a circular flow, aligning with Nextgreen's integrated approach to creating value through resource efficiency and sustainable practices.

The intertwined forms reflect the Group's waste-to-value journey, where plantation biomass is reimaged into purposeful, sustainable products supported by renewable energy. Together, they capture Nextgreen's commitment to advancing a sustainable green economy, illustrating the seamless connection between its operations, environmental stewardship, and long-term value creation.

20th ANNUAL GENERAL MEETING

Venue :

Perdana Hall 1 & 2, Bukit Jalil
Golf & Country Resort, Jalan Jalil
Perkasa 3, Bukit Jalil, 57000 Kuala
Lumpur, W.P. Kuala Lumpur,
Malaysia.

Tuesday,
30 June 2026

10.00 a.m.

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FORM OF PROXY

NOTICE OF 20th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting (“20th AGM”) of Nextgreen Global Berhad (“Nextgreen” or the “Company”) will be held at Perdana Hall 1 & 2, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Tuesday, 30 June 2026 at 10.00 a.m. or at any adjournment thereof for the transaction of the following businesses:

AGENDA

As Ordinary Business

- | | | |
|----|---|--------------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. | Refer to Explanatory Note (a) |
| 2. | To re-elect Dr. Lim Kah Yen who is retiring by rotation in accordance with Clause 107(1) of the Company’s Constitution. | Ordinary Resolution 1 |
| 3. | To re-elect Ms. Lim Kah Yee who is retiring by rotation in accordance with Clause 107(1) of the Company’s Constitution. | Ordinary Resolution 2 |
| 4. | To re-elect Dato’ Mohd Yusof Bin Din who is retiring by rotation in accordance with Clause 107(1) of the Company’s Constitution. | Ordinary Resolution 3 |
| 5. | To re-elect Datuk Rawisandran A/L Narayanan who is retiring in accordance with Clause 100 of the Company’s Constitution. | Ordinary Resolution 4 |
| 6. | To approve the payment of Directors’ fees and other benefits up to RM565,000.00 to be divided amongst the Directors in such manner as the Directors may determine for the period from the conclusion of the 20 th AGM of the Company until the conclusion of the next AGM of the Company in the year 2027. | Ordinary Resolution 5 |
| 7. | To re-appoint Messrs. UHY Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |

As Special Business

To consider and if thought fit, to pass the following resolutions:

- | | | |
|----|---|------------------------------|
| 8. | AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | Ordinary Resolution 7 |
|----|---|------------------------------|

“**THAT** approval be and is hereby given to waive the statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company pursuant to Section 85 of the Companies Act 2016 (“the Act”) read together with Clause 56 of the Company’s Constitution.

THAT pursuant to Sections 75 and 76 of the Act and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad (“Bursa Securities”) allowed for the time being and that the Directors be and are hereby also empowered to obtain approval from Bursa Securities for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

NOTICE OF 20th ANNUAL GENERAL MEETING (CONT'D)

9. RETENTION OF DATO' DR. HAJI SOHAIMI BIN SHAHADAN AS INDEPENDENT NON-EXECUTIVE CHAIRMAN PURSUANT TO PRACTICE 5.3 OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE **Ordinary Resolution 8**

“**THAT** approval be and is hereby given to Dato' Dr. Haji Sohaimi Bin Shahadan who has served as an Independent Non-Executive Chairman of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Chairman of the Company until the conclusion of the next AGM.”

10. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482/SSM PC No. 202208000250)
LOW VEN SIN (MAICSA 7076080/SSM PC NO. 202208000340)
Company Secretaries
W. P. Kuala Lumpur

Date: 30 April 2026

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 June 2026 (General Meeting Record of Depositors) shall be eligible to attend, participate, speak and/or vote at the meeting.
2. A member is entitled to appoint another person as his/her proxy to attend and participate but shall not be entitled to appoint more than two (2) proxies to attend and participate in the meeting. A proxy may but need not be a member of the Company.
3. Where a member appoints two (2) proxies, he/she must specify the proportions of his/her shareholdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An “exempt authorised nominee” refers to an authorised nominee defined under Securities Industry (Central Depositories) Act, 1991 (“SICDA”) which is exempted from compliance with the provisions subsection 25A(1) of SICDA.
5. The Form of Proxy, in the case of an individual, shall be signed by the appointer or his/her attorney, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or its attorney of the corporation duly authorised.
6. The appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote:
 - (i) **In hard copy form**
In the case of an appointment made in hard copy form, the Form of Proxy must be deposited with the Company's Share Registrar at Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
 - (ii) **By electronic means**
The Form of Proxy can be electronically lodged via the Digerati Portal at <https://nggb-agm.digerati.com.my> or email to admin@aldpro.com.my
7. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
8. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.

NOTICE OF 20th ANNUAL GENERAL MEETING (CONT'D)

- (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- 9. Pursuant to Paragraph 8.29A of the Main Market Listing Requirement of Bursa Securities, all resolutions set out in this Notice of 20th AGM will be put to vote by way of poll.
- 10. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.

Explanatory Notes to Ordinary Business and Special Business:

(a) Audited Financial Statements for the financial year ended 31 December 2025

The Agenda under item 1 is meant for discussion only as pursuant to Section 340(1)(a) of the Companies Act, 2016 does not require shareholders' approval, and therefore, it shall not be put forward for voting.

(b) Ordinary Resolution 1: Re-election of Director who retires by rotation in accordance with Clause 107(1) of the Company's Constitution

Clause 107(1) of the Company's Constitution provides that an election of Directors shall take place each year at annual general meeting. At each annual general meeting, any Director appointed during the year under Clause 100 and one-third (1/3) of the other Directors for the time being, or if the number is not a multiple of three, then the number nearest to one-third (1/3) with a minimum of one (1), shall retire from office and an election of Directors shall take place PROVIDED ALWAYS THAT each Director shall retire from office once at least in every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Dr. Lim Kah Yen is standing for re-election as Director of the Company and being eligible, has offered herself for re-election.

For the purpose of determining the eligibility of the Director to stand for re-election at the 20th AGM, the NC has considered and recommended, and the Board has endorsed Dr. Lim Kah Yen who is seeking re-election at the forthcoming 20th AGM of the Company.

(c) Ordinary Resolution 2: Re-election of Director who retires by rotation in accordance with Clause 107(1) of the Company's Constitution

Clause 107(1) of the Company's Constitution provides that an election of Directors shall take place each year at annual general meeting. At each annual general meeting, any Director appointed during the year under Clause 100 and one-third (1/3) of the other Directors for the time being, or if the number is not a multiple of three, then the number nearest to one-third (1/3) with a minimum of one (1), shall retire from office and an election of Directors shall take place PROVIDED ALWAYS THAT each Director shall retire from office once at least in every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Ms. Lim Kah Yee is standing for re-election as Director of the Company and being eligible, has offered herself for re-election.

For the purpose of determining the eligibility of the Director to stand for re-election at the 20th AGM, the NC has considered and recommended, and the Board has endorsed Ms. Lim Kah Yee who is seeking re-election at the forthcoming 20th AGM of the Company.

NOTICE OF 20th ANNUAL GENERAL MEETING (CONT'D)

(d) **Ordinary Resolution 3: Re-election of Director who retires by rotation in accordance with Clause 107(1) of the Company's Constitution**

Clause 107(1) of the Company's Constitution provides that an election of Directors shall take place each year at annual general meeting. At each annual general meeting, any Director appointed during the year under Clause 100 and one-third (1/3) of the other Directors for the time being, or if the number is not a multiple of three, then the number nearest to one-third (1/3) with a minimum of one (1), shall retire from office and an election of Directors shall take place PROVIDED ALWAYS THAT each Director shall retire from office once at least in every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Dato' Mohd Yusof Bin Din is standing for re-election as Director of the Company and being eligible, has offered himself for re-election.

For the purpose of determining the eligibility of the Director to stand for re-election at the 20th AGM, the NC has considered and recommended, and the Board has endorsed Dato' Mohd Yusof Bin Din who is seeking re-election at the forthcoming 20th AGM of the Company.

(e) **Ordinary Resolution 4: Re-election of Director who retires in accordance with Clause 100 of the Company's Constitution**

Clause 100 of the Company's Constitution provides that the Directors shall have power from time to time and at any time to appoint additional Directors either to fill a casual vacancy or as an addition to the Board of Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed by or pursuant to the Company's Constitution. A Director so appointed shall hold office only until the conclusion of the next annual general meeting, but shall be eligible for re-election (but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting).

Datuk Rawisandran A/L Narayanan was appointed on 25 July 2025 as an Independent Non-Executive Director of the Company. He is standing for re-election as Director of the Company and being eligible, has offered himself for re-election.

(f) **Ordinary Resolution 5: Payment of Directors' Fees and Other Benefits Payable**

Section 230(1) of the Act provides amongst others, that "the fees" of the Directors and "any benefits" payable to the Directors of public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The Board wishes to seek shareholders' approval for the payment of a maximum aggregate amount of RM565,000.00 for Directors' fees and benefits payable to the Non-Executive Directors for the period from the conclusion of 20th AGM until the conclusion of the next AGM of the Company in year 2027.

Directors' benefits include allowances and other claimable benefits which are calculated based on the current Board size and the number of schedule meetings for the period commencing from the conclusion of the 20th AGM until the conclusion of the next AGM of the Company in year 2027.

In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

(g) **Ordinary Resolution 6: Re-appointment of Auditors**

The Board, through its Audit, Governance and Risk Committee ("AGRC") conducted an assessment on the suitability, objectivity and independence of Messrs. UHY Malaysia PLT during the financial year ended 31 December 2025 and was satisfied the performance and independence of Messrs. UHY Malaysia PLT. The Board has therefore recommended the re-appointment of Messrs. UHY Malaysia PLT as external auditors of the Company for the financial year ending 31 December 2026.

NOTICE OF 20th ANNUAL GENERAL MEETING (CONT'D)

(h) **Special Business – Ordinary Resolution 7: Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016**

The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company to allot and issue new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit (“General Mandate”), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the total number of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new ordinary shares in the Company were issued pursuant to the previous Mandate granted to the Directors at the 19th AGM held on 26 June 2025.

With this General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investment, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration, without having to convene a general meeting to seek shareholders’ approval when such opportunities or needs arise.

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 56 of the Company’s Constitution, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible shares.

Section 85(1) of the Companies Act 2016 provides as follows:

“85. Pre-emptive rights to new shares

- 1. Subject to the Constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.*

Clause 56 of the Company’s Constitution provides as follows:

- “56. Subject to any direction to the contrary that may be given by the Company in a Meeting of Members, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of Meetings of Members in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under the Company’s Constitution.*

The proposed Ordinary Resolution 7, if passed, will exclude your pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

(i) **Special Business – Ordinary Resolution 8: Retention of Dato’ Dr. Haji Sohaimi Bin Shahadan as Independent Non-Executive Chairman Pursuant to Practice 5.3 Of the Malaysian Code on Corporate Governance**

Pursuant to the Malaysian Code on Corporate Governance, it is recommended that approval of shareholders be sought in the event that the Company intends to retain the independent director who has served in that capacity for more than nine (9) years. Following an assessment and recommendation by the Nomination Committee, the Board recommended that Dato’ Dr. Haji Sohaimi Bin Shahadan who has served as Independent Non-Executive Chairman for a cumulative term of more than nine (9) years to continue to be designated as Independent Non-Executive Chairman of the Company based on the following key justifications:

NOTICE OF 20th ANNUAL GENERAL MEETING (CONT'D)

- (a) he fulfills the criteria under the definition of Independent Director as stated in the Listing Requirements of Bursa Securities and, therefore, is able to bring independent and objective judgment to the Board as a whole;
- (b) his experience in the relevant industries has enabled him to provide the Board and Board Committees, as the case may be, with pertinent expertise, skills, contribution and competence;
- (c) he has been with the Company for a certain period and therefore understands the Company's business operations which enables them to contribute actively and effectively during deliberations or discussions at Board meetings;
- (d) he continues to be scrupulously independent in his thinking and in his effectiveness as constructive challenger of the Executive Directors; and
- (e) he exercises due care during his tenure as an Independent Non-Executive Chairman and carried out his professional duties in the best interest of the Company and shareholders.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (Pursuant to Paragraph 8.27(2) of Main Market Listing Requirements of Bursa Securities)

1. As at the date of this Notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are seeking for re-election as Directors of the Company) at the 20th AGM of the Company are:
 - a) Dr. Lim Kah Yen (Clause 107(1));
 - b) Ms. Lim Kah Yee (Clause 107(1));
 - c) Dato' Mohd Yusof Bin Din (Clause 107(1)); and
 - d) Datuk Rawisandran A/L Narayanan (Clause 100).
(the "retiring Directors")

The retiring Directors have confirmed that they do not have any existing or potential conflict of interest in the business that could affect the execution of their role as Directors. The profile of the retiring Directors is set out in the Directors' Profile of the Annual Report 2025.
2. The detailed information relating to general mandate for issue of securities pursuant to Paragraph 6.03(3) of the Listing Requirements of Bursa Securities are set out under Explanatory Notes on Special Business for Ordinary Resolution 7 of the Notice of the 20th AGM of the Company.

MANAGING DIRECTOR'S STATEMENT



Strengthening Foundations for Sustainable Growth

REVENUE

RM91.0 million

34% increase Y-o-Y

GROSS PROFIT

RM63.9 million

74% increase Y-o-Y

PROFIT BEFORE TAX ("PBT")

RM48.3 million

104% increase Y-o-Y

NET PROFIT

RM29.8 million

29% increase Y-o-Y



Dear Valued Shareholders,

The financial year ended 31 December 2025 marked a pivotal transition for Nextgreen Global Berhad ("Nextgreen" or "the Group") as we progressed from infrastructure development into early-stage commercialisation. Following the establishment of our green industrial foundation within the Green Technology Park ("GTP"), the year under review reflects increasing commercial traction of our circular economy model and growing market.

MANAGING DIRECTOR'S STATEMENT (CONT'D)

Revenue rose to
RM91.0 million,
representing a
34% increase from
the RM68.0 million recorded in
the previous year.”

DELIVERING SOLID FINANCIAL GROWTH

The Group's strategic focus on scaling operations within the GTP has translated into a robust financial performance. Revenue rose to RM91.0 million, representing a 34% increase from the RM68.0 million recorded in the previous year, driven primarily by the Manufacturing Division, which remains the Group's core revenue contributor.

The fertiliser segment has emerged as the Group's key growth engine, supported by increasing market acceptance of its bio-based products, particularly within the domestic agricultural sector.

Profitability improved significantly, reflecting enhanced operational efficiency and a higher contribution from downstream products. Gross profit increased by 74% to RM63.9 million, while Profit Before Tax ("PBT") rose by 104% to RM48.3 million. Net profit was recorded at RM29.8 million, a 29% year-on-year increase. These results were achieved despite the recognition of additional tax provisions during the year, including prior period tax regularisation under the Special Voluntary Disclosure Programme ("SVDP").

OPERATIONAL MATURITY AND ECOSYSTEM INTEGRATION

Our 10,000 MT capacity Empty Fruit Bunches ("EFB")-based pulp plant in Pekan achieved improved operational stability in FY2025, with output of approximately 8,600 MT and a utilisation rate of approximately 86%. The plant continues to serve as a stable operational base and plays a strategic role within the Group's integrated circular production model.

The fertiliser segment delivered strong commercial performance, with NexBooster™ liquid biofertiliser contributing approximately RM30.1 million in revenue. We observed a marked improvement in product acceptance and a steady rise in repeat orders, particularly from domestic institutional partners such as Padi Global and DOA Integrated Farming.

Beyond our domestic footprint, the Group secured strategic offtake and supply arrangements in the Libya market through an associate-linked counterparty. This international expansion validates the competitiveness of our sustainable product range on a global stage.

Central to the Group's operations is its integrated "waste-to-value" model, whereby pulp production generates recovered process streams that are subsequently treated and converted into biofertiliser products. This represents a standard by-product generated from the chemical pulping process, which is repurposed within the Group's integrated production system. This approach enhances resource efficiency while creating value.

STRATEGISING FOR SCALE

The Group continues to execute a disciplined and phased capital allocation strategy to support its transition from pilot-scale operations to industrial-scale production, anchored by the development of a 150,000 MT per annum bleached chemical pulp plant under the NeuWhite® project. This large-scale facility represents a key milestone in the Group's long-term growth strategy, enabling the Group to achieve economies of scale, improved cost efficiency and enhanced competitiveness in the global pulp market.

In addition, we are developing a 30,000 MT solid organic fertiliser facility and a 10,000 MT animal feed plant, while upgrading our liquid fertiliser plant with automation upgrades. These initiatives are at various stages of planning and execution and have yet to be supported by external project-specific financing.

The Group is also planning to upgrade its pulp production capacity from 10,000 MT per annum to up to 15,000 MT per annum to support increased feedstock availability for biofertiliser production. Collectively, these initiatives are integral to the Group's zero-waste strategy and long-term value chain expansion.

Subsequent to the financial year end, the Group has secured a RM50 million Working Capital Financing-i ("WCF-I") facility from Bank Kerjasama Rakyat Malaysia Berhad ("Bank Rakyat"). This Shariah-compliant facility

MANAGING DIRECTOR'S STATEMENT (CONT'D)

enhances the Group's financial flexibility and supports its ongoing operational expansion. The Neuwhite® project remains a key pillar of the Group's medium-term growth strategy, aimed at scaling pulp production to industrial levels and improving cost efficiency through economies of scale.

DIVIDEND POLICY

The Board has resolved not to declare any dividend for FY2025, in line with the Group's strategy to retain earnings to support its capital-intensive growth phase and future expansion initiatives.

SUSTAINABILITY AND SOCIAL IMPACT

Sustainability remains at the core of the Group's business model. Its circular approach ensures that agricultural residues are converted into valuable industrial inputs, reducing environmental impact while enhancing resource efficiency.

In FY2025, the Group continued to strengthen its social impact through the creation of employment opportunities within the Pekan region, including for indigenous communities, contributing to local economic development and inclusive growth.

The Group also places strong emphasis on human capital development to support its transition into large-scale industrial operations. During the year, approximately 5,031 training hours were conducted to enhance workforce capabilities in line with evolving operational requirements.

The Group maintained a zero-fatality safety record during the year and continues to promote a safe and responsible working environment. While the Lost Time Incident Rate ("LTIR") recorded an increase compared to the previous year, this was primarily attributable to several isolated on-site incidents. The Group has since intensified its safety measures, including strengthening operational procedures and enhancing employee awareness programmes, to reinforce a strong safety culture across its operations.

The Group remains committed to diversity and inclusivity, with approximately 37% female representation at managerial level and above.

AWARDS & RECOGNITION

During the financial year, the Group received several recognitions that reflect its continued progress in sustainability, innovation and industry engagement. Nextgreen was recognised as the Energy Efficiency

Champion at the 3rd Annual National Energy Efficiency Conference and received the Innovation & Future Impact Award - Green Technology & Sustainable Solutions at the ESG PLUS Awards 2025. The Group was also acknowledged with the IEM Pahang Best Industry Partner Award for Sustainable & Innovative Engineering and recognised at IGEM 2025 for its Best Informative Booth, highlighting its circular economy and green technology initiatives.

In addition, Nextgreen received regional recognition through ASEAN Records for its GTP and integrated biomass processing model, reinforcing its position within the green industrial space. The Group also participated in the Global Chinese Economic & Technology Summit 2025 as a Gold Sponsor and was conferred the World Outstanding Business Icon Leadership Award and the World Green & Sustainability Excellence Award, reflecting its growing international profile.

OUTLOOK

The progress achieved in FY2025 demonstrates the commercial viability of the Group's circular economy model and provides a strong foundation for future growth. In the short term, the fertiliser segment is expected to remain the primary driver of growth as production capacity continues to scale. The planned upgrade of the pulp plant will temporarily impact output but is expected to strengthen long-term feedstock availability.

Over the medium term, growth will be driven by the scaling of fertiliser production and the development of the NeuWhite® project, which is expected to enhance operational efficiency and margin expansion.

In the long term, the Group aims to establish a fully integrated green industrial ecosystem within the GTP. This includes expanding its biomass supply chain and diversifying into downstream value-added products. The Group is also exploring the development of supporting infrastructure within the GTP, including commercial facilities, workers' accommodation and an education hub, to be undertaken by Ultimate Ivory Sdn Bhd, the Group's wholly-owned subsidiary and master developer of the GTP.

The Board and Management remain committed to executing the Group's strategy with discipline and delivering sustainable long-term value to shareholders.

DATO' LIM THIAM HUAT

Managing Director
Nextgreen Global Berhad

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Dr. Haji Sohaimi Bin Shahadan

Independent Non-Executive Chairman

Dato' Lim Thiam Huat

Managing Director

Ts. Dr. Lim Kah Yen

Executive Director

Lim Kah Yee

Executive Director

Dato' Mohd Yusof Bin Din

Non-Independent Non-Executive Director

See Cherng Jye

Non-Independent Non-Executive Director

Teh Chau Chin

Independent Non-Executive Director

Maylee Gan Suat Lee

Independent Non-Executive Director

Datuk Rawisandran A/L Narayanan

Independent Non-Executive Director

AUDIT, GOVERNANCE AND RISK COMMITTEE

Teh Chau Chin, *Chairman*
Maylee Gan Suat Lee, *Member*
Datuk Rawisandran A/L Narayanan, *Member*

NOMINATION COMMITTEE

Datuk Rawisandran A/L Narayanan, *Chairman*
Teh Chau Chin, *Member*
Maylee Gan Suat Lee, *Member*

REMUNERATION COMMITTEE

Maylee Gan Suat Lee, *Chairperson*
Teh Chau Chin, *Member*
Datuk Rawisandran A/L Narayanan, *Member*

EMPLOYEES' SHARE OPTION SCHEME COMMITTEE

Dato' Dr. Haji Sohaimi Bin Shahadan, *Chairman*
Dato' Lim Thiam Huat, *Member*
Ts. Dr. Lim Kah Yen, *Member*
Lim Kah Yee, *Member*
Dato' Mohd Yusof Bin Din, *Member*
Tan Chee Tat, *Member*

SHARIAH ADVISORY COMMITTEE

Dato' Mohd Yusof Bin Din, *Chairman*
Prof. Dr. Mushaddad Bin Hasbullah, *Member*
Prof. Dr. Mohd Affandi Bin Mat Rani, *Member*

COMPANY SECRETARIES

Tan Tong Lang
(MAICSA7045482/
SSM PC No. 202208000250)
Low Ven Sin
(MAICSA7076080/
SSM PC No. 202208000340)

REGISTERED OFFICE

B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur
Tel : (03) 9770 2200
Fax : (03) 2201 7774
Email : boardroom@boardroom.com.my

BUSINESS ADDRESS

Level 6-02, Menara LGB,
No. 1, Jalan Wan Kadir,
Taman Tun Dr. Ismail,
60000 Kuala Lumpur
Tel : (03) 7725 2088
Fax : (03) 7725 2099
Website : www.nextgreenglobal.com

PRINCIPAL BANKERS

Public Bank Berhad
United Overseas Bank (Malaysia) Bhd
Bank Pembangunan Malaysia Berhad
Bank Muamalat Malaysia Berhad
AmBank Islamic Berhad

AUDITORS

UHY Malaysia PLT (AF 1411)
Chartered Accountants
Suite 11.05, Level 11,
The Gardens South Tower,
Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur
Tel : (03) 2279 3088
Fax : (03) 2279 3099

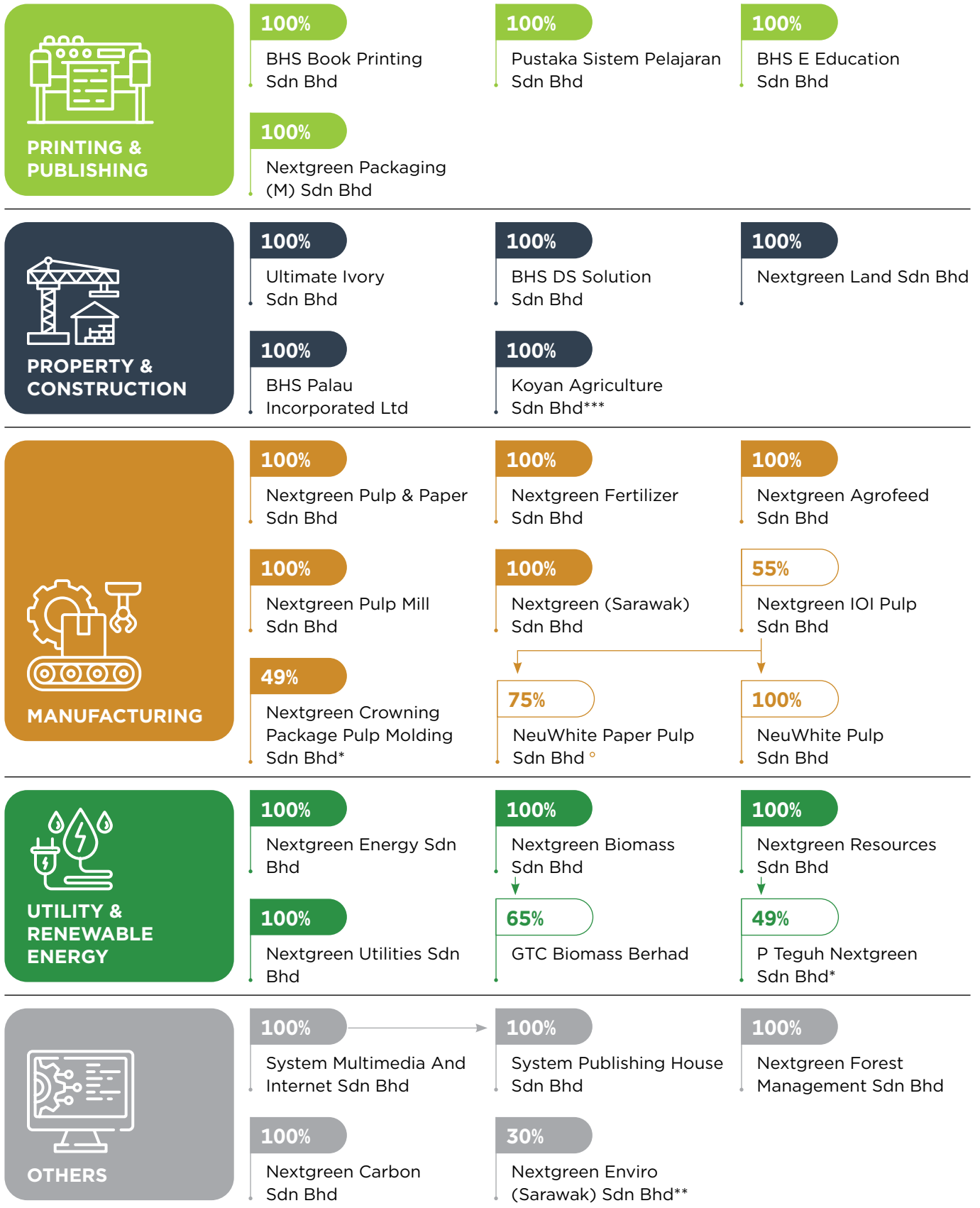
SHARE REGISTRAR

Aldpro Corporate Services Sdn. Bhd.
B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur
Tel : (03) 9770 2200
Fax : (03) 2201 7774
Email : admin@aldpro.com.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name : NGGB
Stock Code : 7241

CORPORATE STRUCTURE



Remark:

^o New companies added in FY2025

* Associate company

** 70% owned by Ts. Dr. Lim Kah Yen

*** Koyan Agriculture Sdn Bhd formerly known as Koyan Agriculture Park Sdn Bhd

FINANCIAL HIGHLIGHTS

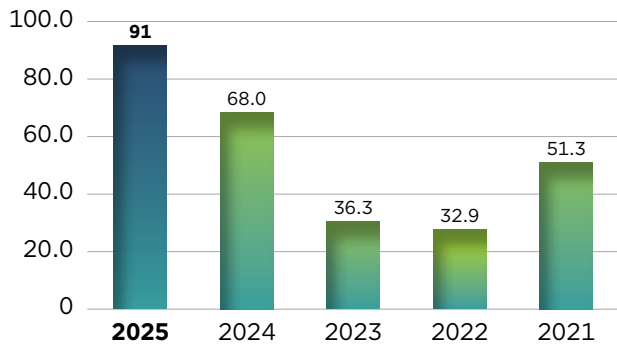
	2021	2022	2023	2024	2025
FINANCIAL RESULT (RM million)					
Revenue	51.3	32.9	36.3	68.0	91.0
Other income	10.5	28.0	21.7	12.1	17.9
Gross profit	24.5	11.6	13.1	36.7	63.9
Earnings before interest and tax	11.5	17.1	18.0	29.3	56.0
Profit before tax	0.0	13.8	12.7	23.7	48.3
Taxation	-	(1.3)	(3.4)	0.1	(18.5)
Profit after taxation and non-controlling interest	9.9	12.7	9.4	23.1	30.7

FINANCIAL POSITIONS (RM million)					
Total assets	295.5	396.5	465.2	579.3	770.3
Total liabilities	47.4	122.0	127.3	136.8	273.1
Net current asset	22.5	12.3	56.8	135.6	153.3
Non-controlling interest	(0.2)	(0.2)	-	0.3	0.8
Shareholders' fund	248.3	274.6	337.9	442.2	496.4

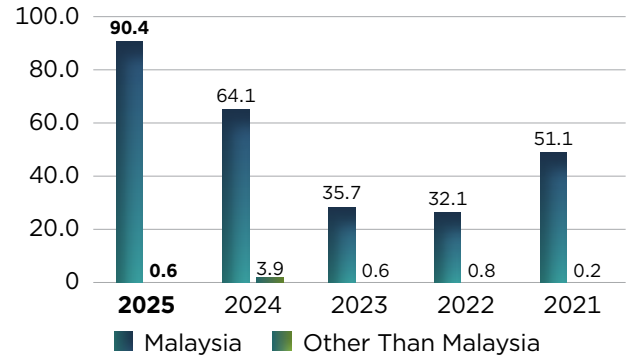
OTHER FINANCIAL INFO					
No of ordinary shares (Unit million)	762.9	787.2	936.7	1,063.0	1,093.4
Market capitalisation (RM million)	1,007.0	1,117.8	533.9	956.7	874.7
Basic earnings per share (sen)	1.4	1.6	1.1	2.3	2.9
Diluted earnings per share (sen)	1.3	1.4	1.0	2.3	2.9
Net assets per share (sen)	33.0	34.9	36.1	41.6	45.4

FINANCIAL HIGHLIGHTS (CONT'D)

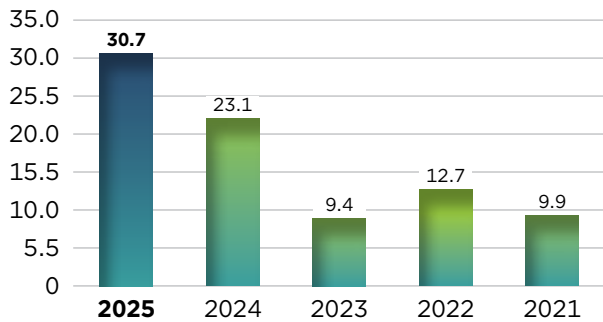
REVENUE (RM million)



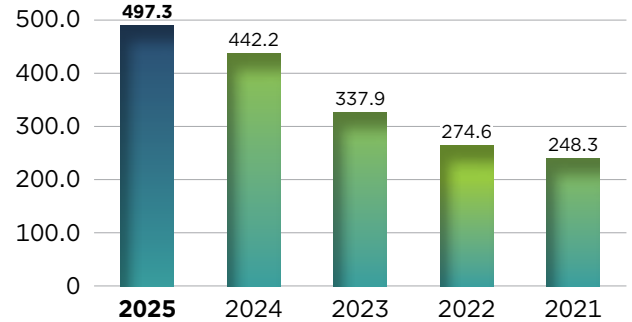
GEOGRAPHICAL SEGMENT REVENUE (RM million)



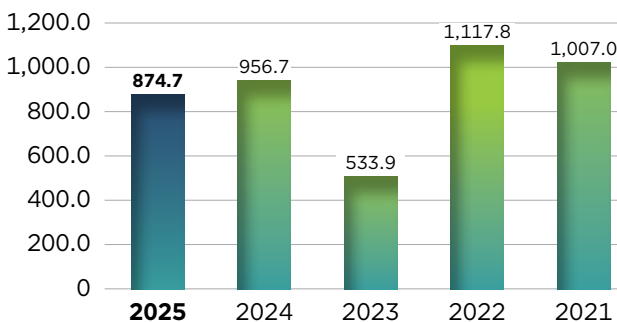
PATAMI (RM million)



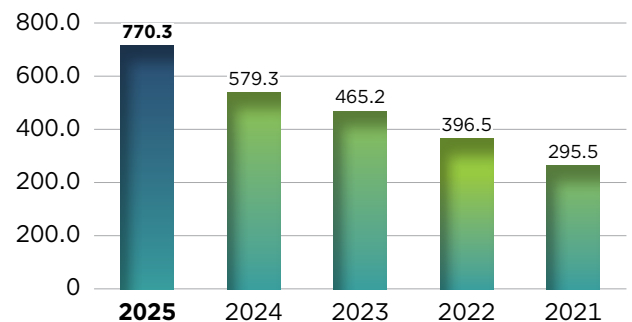
SHAREHOLDER'S FUND (RM million)



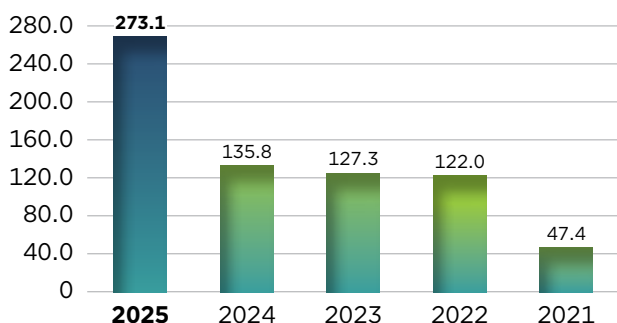
MARKET CAP (RM million)



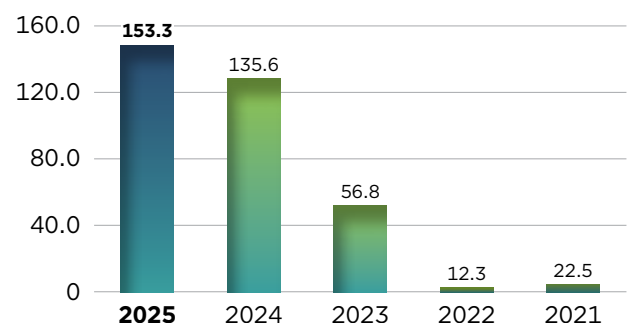
TOTAL ASSET (RM million)



TOTAL LIABILITIES (RM million)



NET CURRENT ASSETS (RM million)





Royal Visit to Nextgreen Facility

His Royal Highness, Kebawah Duli Paduka Baginda Sultan Pahang Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah Ibni Al-Marhum Sultan Haji Ahmad Shah, visited Nextgreen's Green Technology Park ("GTP") in Pekan, Pahang. During the visit, His Royal Highness toured key areas of the park, including the processing facilities of Nextgreen Pulp and Paper Sdn Bhd ("NGPP") and Nextgreen Fertilizer Sdn Bhd ("NGF"), where the company's innovative products were showcased. Nextgreen is deeply honoured by the presence of His Royal Highness.

Sustainability Performance Highlights



Maintained ISO 9001:2015

Quality Management System ("QMS") and

ISO 14001:2015 Environmental Management System ("EMS") for NGPP



Maintained **ZERO**

substantiated incidents of bribery, corruption and human rights violations, reflecting our ongoing commitment to strengthening our ethical and governance structures



MSPO partnership

enhances Oil Palm Biomass Chain of Custody credibility



89%

of the energy sourced from **renewable energy**



ZERO

substantiated complaints concerning breaches of customer privacy and losses of customer data



Enhanced governance oversight through establishment of Sustainability Management Committee

AWARDS AND RECOGNITION



IEM Pahang Award

Nextgreen has been honoured with the IEM Pahang Best Industry Partner Award: Sustainable & Innovative Engineering, recognising the company's commitment to integrating sustainability and innovation in engineering.



Energy Efficient Recognition

Nextgreen was recognised as an "Energy Efficiency Champion" during the 3rd Annual National Energy Efficiency 2025, reflecting our commitment to sustainability and energy efficiency.



ESG Plus Sustainability Award

Nextgreen was awarded the Innovation & Future Impact Award for Green Technology & Sustainable Solutions at the prestigious ESG PLUS Awards.



World Outstanding Business Icon Leadership Award World Green & Sustainability Excellence Award

Nextgreen was honoured with the above awards at the Global Chinese Economic & Technology Summit (GCET 2025), hosted by KSI Strategic Institute for Asia Pacific. These awards are a testament to our pioneering initiatives and contributions to the green technology sector in Malaysia.



ESG Select List 2025

ESG Select List Nextgreen was recognised as a 1-Star Lister under the ESG Select List: Purposeful Partnership, reflecting the meaningful progress achieved in this category.



ASEAN Records for Sustainability Achievements

Nextgreen is proud to be recognised by ASEAN Records for two (2) significant achievements in sustainability, a testament to the Company's commitment to innovation and circular economy leadership in the region. The recognitions include:

- First Green Technology Park Adopting a Circular Economy Model with patented technology to convert oil palm biomass into Empty Fruit Bunch ("EFB") pulp and paper.
- First Integrated Oil Palm Biomass Processing Hub since 2022.

DIRECTORS' PROFILE



DATO' DR. HAJI SOHAIMI BIN SHAHADAN

Independent Non-Executive Chairman

Malaysian	Male	57
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Appointed Date 8 August 2014	Board Committee Membership(s) Chairman of Employees' Share Option Scheme
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QUALIFICATION

1. Bachelor's Degree in Business Administration from Universiti Kebangsaan Malaysia
2. Master's Degree in Business Administration from West Coast Institute of Technology and Management, Perth, Australia
3. Master's Degree in Corporate Communication from University Pertanian Malaysia
4. Honorary Ph.D. from Geomatika University College for Entrepreneur achievement

WORK EXPERIENCE

Dato' Dr. Haji Sohaimi Bin Shahadan ("Dato' Sohaimi") was appointed to the Board as the Non-Independent Non-Executive Chairman of the Company on 8 August 2014. On 6 October 2016, he had been re-designated as an Independent Non-Executive Chairman.

He is Independent Non-Executive Director for Trive Property Group Berhad since 2018, Director of Quantum Solar Park, Malaysia, the Director of Taichi Builders Sdn Bhd, the Chairman of KYS Business School Sdn Bhd and the Chairman of Mommyhana Sdn Bhd since 2022.

Previously, he was the Independent Non-Executive Chairman of PDZ Holdings Berhad from 2014 to 2017, EKA Noodles Berhad from 2014 to 2017, the Independent Non-Executive Director of KUB Malaysia Berhad from 2014 to 2015 and the Independent Non-Executive Director of Damansara Realty Berhad from 2014 to 2015. He was also the Chairman of Pelaburan MARA Berhad ("PMB") an investment entity for Majlis Amanah Rakyat ("MARA") from 2013 to 2015 and the former Chairman of Kraftangan Malaysia from 2011 to 2014.

From 1998 to 2010, he was the Director of Institute of Bumiputra Entrepreneurs and from 2013 to 2015 he was entrusted by the Ministry of Rural and Regional Development ("KKLW") to lead the investment entity for Majlis Amanah Rakyat, Pelaburan MARA Berhad from 2013 to 2015. He served as the Chairman of Kraftangan Malaysia from 2011 to 2014. He was also the Chairman of Kolej Poly-Tech MARA ("KPTM") from 2010 until 2013.

While engaging in his business, Dato' Sohaimi is passionate in entrepreneurship arena, he is the Chairman of Asean Young Entrepreneurs Secretariat (1998 to 2000), the Chairman of PERDASAMA MUDA Malaysia before appointed as Vice President IV of PERDASAMA from 2014 to 2019, the Committee Member of Selangor Malay Chamber of Commerce Malaysia ("DPMM") (2009 to 2010), the Patron of Consortium Cartoonist at Work (CaW) and the Entrepreneurs Speaker for Institute Keusahawan Negara ("INSKEN"). Currently, he has been appointed as President of Asean Chambers of Commerce and Industry (from 2020 till now).

He is also active in community works and has worked closely with charity organisation and founded an orphanage shelter, "Teratak Che Dah" in Kuang, Selangor. The orphanage house set to provide better education, protection and housing to the unfortunates. He is also the Chairman and Founder of Yayasan Jamin as Non-Government Organisation aimed at social services regardless of religion, ethnicity and activities by helping people in need around Malaysia.

Currently, Dato' Sohaimi is the Independent Non-Executive Chairman in Trive Property Group Berhad.

He has no family relationship with other Director and/or major shareholder of the Group. He does not have any conflict of interest or potential conflict of interest with the Group. He has not been convicted for any offences within the past 5 years other than traffic offences, if any.

He has attended four (4) out of five (5) Board meetings held during the financial year ended 31 December 2025.

DIRECTORS' PROFILE (CONT'D)



DATO' LIM THIAM HUAT

Managing Director

Malaysian	Male	62
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Appointed Date 17 December 2014	Board Committee Membership(s) Member of Employees' Share Option Scheme
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QUALIFICATION

1. Federal Institute of Technology- Building Technology

WORK EXPERIENCE

Dato' Lim Thiam Huat ("Dato' Lim") was appointed to the Board on 17 December 2014. He has more than 28 years of extensive experience in the field of construction and project development. He had successfully completed projects like commercial high rise cum shopping complexes, industrial buildings, housing projects, hotel/resorts, hospital and luxurious apartments.

In 2003, Dato' Lim diversified his business focus to environmentally friendly business and entered into a partnership with a Chinese partner to research into using Empty Fruit Bunches ("EFB") from palm oil waste to manufacture pulp and paper. In 2008, Dato' Lim and his partner incorporated Green Patent Technologies Sdn Bhd to patent the technology in Malaysia, China, Indonesia and Thailand.

This technology is called Preconditioning Refiner Chemical Recycled Bleached Mechanised Pulp ("PRC-RBMP"). Dato' Lim's experience and involvement in PRC-RBMP technology started from the incubation stage of the technology. PRC-RBMP was specially researched and developed to solve the palm oil industry and paper industry problems without harming the ecological system.

The design of PRC-RBMP uniquely allows for the creation of multiple business ventures that are "green" in nature and groundbreaking. He drives the business direction of the Group and sets the missions and objectives for the Group to achieve.

He was also appointed as Economic Consultant to the Republic of Palau in Malaysia on 28 August 2015 and he was also appointed as Honorary Consul of the Republic of Palau to Malaysia on 5 November 2015.

He is father to Ts. Dr. Lim Kah Yen and Ms. Lim Kah Yee, the Executive Directors of the Company. Save as disclosed, he has no family relationship with other Director and/or major shareholder of the Group. He does not hold any directorships in any other public listed companies. He does not have any conflict of interest or potential conflict of interest with the Group. He has not been convicted for any offences within the past 5 years other than traffic offences, if any.

He has attended all five (5) Board meetings held during the financial year ended 31 December 2025.

DIRECTORS' PROFILE (CONT'D)



TS. DR. LIM KAH YEN

Executive Director

Malaysian	Female	35
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Appointed Date 7 November 2019	Board Committee Membership(s) Member of Employees' Share Option Scheme
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QUALIFICATION

1. Bachelor's Degree in Biological Science from University of Exeter, United Kingdom
2. Master's Degree in Biotechnology, Bioprocessing and Business Management from University of Warwick, United Kingdom
3. Completed a one-year course in Pulp and PaperMaking Technology at Shaanxi University of Science and Technology, China
4. PhD in Environmental Biotechnology at University Putra Malaysia ("UPM"), Malaysia
5. Professional Technologist ("P.Tech.") in Green Technology ("GT"), Malaysia Board of Technologists ("MBOT")

WORK EXPERIENCE

Ts. Dr. Lim Kah Yen was appointed to the Board as the Executive Director on 7 November 2019. She is currently the Executive Director at Nextgreen Pulp & Paper Sdn Bhd, involving in the Company's operations, strategic planning and business development, including establishing collaborative relationships with potential business partners and clients.

She joined Nextgreen in 2016 as an R&D Executive and was promoted to R&D Director responsible for R&D activities derived from PRC-RBMP technology. Her other duties include collaborating with universities, grant applications, conducting feasibility studies and business proposals. One important area of her focus is on the commercialisation of lignin extraction from black liquor of pulping process.

Ts. Dr. Lim Kah Yen is the daughter of Dato' Lim Thiam Huat, the Managing Director of the Company and sister to Ms. Lim Kah Yee, the Executive Director of the Company. Save as disclosed, she has no family relationship with other Director and/or major shareholder of the Group. She does not hold any directorships in any other public listed companies. She does not have any conflict of interest or potential conflict of interest with the Group. She has not been convicted for any offences within the past 5 years other than traffic offences, if any.

She has attended all five (5) Board meetings held during the financial year ended 31 December 2025.



DIRECTORS' PROFILE (CONT'D)



LIM KAH YEE

Executive Director

Malaysian	Female	29
Appointed Date 30 December 2022	Board Committee Membership(s) Member of Employees' Share Option Scheme	

QUALIFICATION

1. Bachelor's degree in arts in Business and Management from University of Exeter, United Kingdom
2. Master of Science in Marketing from University of Exeter, United Kingdom

WORK EXPERIENCE

Ms. Lim Kah Yee was appointed to the Board as the Executive Director on 30 December 2022. She joined Nextgreen Global Berhad in 2019 as Executive Assistant to Managing Director and was promoted to Head of Marketing responsible for crafting and implementing the Company's marketing, communications strategies and plans and identifying new business opportunities.

Her responsibilities comprise overseeing market research, corporate branding and involve in delivering organisation's brand message to stakeholders. Her other responsibilities include strengthening organisational culture and HR strategies by developing the company's core values and staff engagement programmes, overseeing the Company's community investment project and driving the objective of the Company in social responsibility.

Ms. Lim Kah Yee is the daughter of Dato' Lim Thiam Huat, the Managing Director of the Company and sister to Ts. Dr. Lim Kah Yen, the Executive Director of the Company. Save as disclosed, she has no family relationship with other Director and/or major shareholder of the Group. She does not hold any directorships in any other public listed companies. She does not have any conflict of interest or potential conflict of interest with the Group. She has not been convicted for any offences within the past five years other than traffic offences, if any.

She has attended all five (5) Board meetings held during the financial year ended 31 December 2025.



DIRECTORS' PROFILE (CONT'D)



DATO' MOHD YUSOF BIN DIN

Non-Independent Non-Executive Director

Malaysian	Male	54
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Appointed Date 4 August 2020	Board Committee Membership(s) Member of Employees' Share Option Scheme Chairman of Shariah Advisory Committee
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QUALIFICATION

1. Bachelor in Islamic Studies (Hons) from University Kebangsaan Malaysia

WORK EXPERIENCE

Dato' Mohd Yusof Bin Din ("Dato' Yusof") was appointed to the Board as the Non-Independent Non-Executive Director on 4 August 2020. He began his career as a Research Officer in 1996 with Institut Perkembangan Minda ("INMIND"), a company closely link to Selangor State Government until 2013. He was actively involved in publication, organising symposium in national level and many more.

Due to his active involvement and dedication, he was subsequently promoted to Head of Department and later in the year of 2008 he was appointed as the General Manager overseeing the entire operations and management in INMIND.

In the year 2013, Dato' Yusof was appointed by the Prime Minister of Malaysia as the Director of Institut Wasatiyyah Malaysia, Prime Minister Department from 2013 till 2018. One of the greatest achievements during his administration was establishing Dasar Wasatiyyah Negara with strategic involvement in education, youth empowerment, economic development, legal administration, social unity, defence and national safety.

Other active involvement, Dato' Yusof is a Chairman of Syariah Committee, Koperasi Sahabat Amanah Ikhtiar Malaysia Berhad since 2017 till current. He is also the member of Syariah Committee in Koperasi Permodalan Felda Malaysia Berhad, the industry panel at the Academy of Contemporary Islamic Studies ("ACIS") of Universiti Teknologi Mara ("UiTM") and advisor of Kesatuan Kakitangan Umum Universiti Teknologi Mara ("KKUUiTM").

He has no family relationship with other Director and/or major shareholder of the Group. He does not hold any directorships in any other public listed companies. He does not have any conflict of interest or potential conflict of interest with the Group. He has not been convicted for any offences within the past five years other than traffic offences, if any.

He has attended all five (5) Board meetings held during the financial year ended 31 December 2025.

DIRECTORS' PROFILE (CONT'D)



SEE CHERNG JYE

Non-Independent Non-Executive Director

Malaysian	Male	47
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Appointed Date 25 March 2025	Board Committee Membership(s) Nil
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QUALIFICATION

1. Bachelor Degree of Engineering (Civil) from Universiti Teknologi Malaysia
2. Masters of Business Administration from Cardiff University

WORK EXPERIENCE

Mr. See Cherg Jye (“Mr. See”) was appointed to the Board as the Non-Independent Non-Executive Director on 25 March 2025. He is a highly motivated personnel with accumulated experience across plantation management, processing operations and property development. Currently, he serves as the Managing Director of Yuwang Plantation, the plantation arm of Yuwang Group.

Mr. See began his involvement in the plantation sector in 2010, playing a key role in the development and expansion of Yuwang’s oil palm plantation and palm oil milling operations. He oversees the cultivation of approximately 60,000 acres oil palm estates, 20,000 acres of rubber estates, as well as the management of 8 palm oil mills.

A firm advocate for sustainability, Mr. See integrates environmentally responsible practices into all aspects of estate and mill management. He prioritises compliance with environmental regulations and promote best practices in land use, waste management and energy efficiency. His focus on operation issues ensures continuous improvement in efficiency across all areas.

Prior to his transition into plantation management, Mr. See built a successful career in property development. His early works in Kuantan, Pahang included notable residential projects such as Taman Mahkota Permai 1 & 2 and Taman Astana Permai. Under the development arm of Yuwang Group, he expanded into larger scale developments, including Semanja Kajang, Semanja Business Park in Puncak Alam, Semanja Kemuning and Aerofront City in Sepang. He also contributed significantly to the hospitality sector, spearheading the development of Novotel Melaka (now Noble Hotel) in 2016 and Marriott Hotel Kota Kinabalu, Sabah in 2018.

He has no family relationship with other Director and/or major shareholder of the Group. He does not hold any directorships in any other public listed companies. He does not have any conflict of interest or potential conflict of interest with the Group. He has not been convicted for any offences within the past 5 years other than traffic offences, if any.

He has attended all four (4) Board meetings held during the financial year ended 31 December 2025, following his appointment in March 2025.

DIRECTORS' PROFILE (CONT'D)



TEH CHAU CHIN

Independent Non-Executive Director

Malaysian	Male	60
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Appointed Date
**30 September
2020**

Board Committee Membership(s)
**Chairman of Audit, Governance
and Risk Committee**
**Member of Nomination
Committee and Remuneration
Committee**

QUALIFICATION

1. Member of the Malaysian Institute of Accountants
2. Fellow Member of the Chartered Association of Certified Accountants, Chartered Association of Certified Accountants ("ACCA"), United Kingdom
3. Chartered Member of the Institute of Internal Auditors Malaysia
4. Certified Internal Auditor, the Institute of Internal Auditors
5. Certificate Crisis Management and Business Continuity Management, MIT
6. Certification in Risk Management Assurance ("CRMA") from Institute of Internal Auditors

WORK EXPERIENCE

Mr. Teh Chau Chin ("Mr. Teh") was appointed to the Board as the Independent Non-Executive Director on 30 September 2020. He has more than 25 years of experience in financial and internal audit, enterprise risk management, corruption prevention and other governance, risk and compliance advisory services.

Mr. Teh was one of the Executive Directors at KPMG Bangkok and an Associate Director at KPMG Malaysia in the Risk Advisory and Compliance Services. Subsequent to KPMG, he served 2 years as the Chief Risk Officer of a public listed company in Malaysia. He later joined Malaysian Anti-Corruption Commission ("MACC") on a 2-year contract to assist in overall MACC's initiatives in corruption prevention and education.

His primary work in MACC is in setting up the Enterprise Risk Management framework ("ERM") for MACC and developing MACC's Corruption Risk Management ("CRM") methodology as a risk-based corruption prevention tool for MACC to bring to the public and private sectors. He also assisted in MACC's private sector engagement initiatives.

Currently, as the founder and Director, Mr. Teh manages a company which offers advisory services on governance and integrity framework, anti-corruption compliance and corruption risk management implementation.

He has no family relationship with other Director and/or major shareholder of the Group. He does not hold any directorships in any other public listed companies. He does not have any conflict of interest or potential conflict of interest with the Group. He has not been convicted for any offences within the past 5 years other than traffic offences, if any.

He has attended all five (5) Board meetings held during the financial year ended 31 December 2025.

DIRECTORS' PROFILE (CONT'D)



MAYLEE GAN SUAT LEE

Independent Non-Executive Director

Malaysian	Female	49
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Appointed Date
**10 November
2023**

Board Committee Membership(s)
**Chairperson of Remuneration
Committee
Member of Audit, Governance
and Risk Committee and
Remuneration Committee**

QUALIFICATION

1. Member of the Malaysian Association of Company Secretary, Malaysian Association of Company Secretary
2. Member of the Fintech Association of Malaysia, Fintech Association of Malaysia
3. Certificate of Legal Practice from Legal Profession Qualifying Board, Malaysia
4. Master of Science in Information Technology from University of Staffordshire, United Kingdom
5. Bachelor of Laws (Hons) degree from University of London, United Kingdom
6. Registered Company Secretary of Companies Commission of Malaysia (CCM)

WORK EXPERIENCE

Ms. Maylee Gan Suat Lee (“Ms. Maylee”) was appointed to the Board as the Independent Non-Executive Director on 10 November 2023. She joined Messrs. Lee Hishammuddin Allen & Gledhill in year 2004 as a legal associate in the corporate department from year 2004 to 2008 and thereafter founded the legal firm Messrs. Maylee Gan & Tai in Year 2008.

Ms. Maylee has over 20 years of experience in providing legal services in corporate matters to clients from a wide range of industries. Her portfolio of clients includes public listed companies and multinational corporations in various industries including those in real estate development and construction, investment, retail and consumer banking and financial services, private equity funding, fintech, peer to peer lending, automotive, electronics and information technology, industrial manufacturing, oil and gas. Amongst the key area of her practise are in commercial and corporate matters, merger and acquisition, securities and capital markets, compliance and regulatory matters, banking and finance including corporate finance and cross-border financing, technology contracts, real estate, intellectual property, tax matters, industrial relation matters, civil litigation matters and estate planning matters.

She currently serves as an Independent Non-Executive Director of Kerjaya Prospek Group Berhad and SNS Network Technology Berhad.

She has no family relationship with other Director and/or major shareholder of the Group. She does not have any conflict of interest or potential conflict of interest with the Group. She has not been convicted for any offences within the past 5 years other than traffic offences, if any.

She has attended all five (5) Board meetings held during the financial year ended 31 December 2025.

DIRECTORS' PROFILE (CONT'D)



DATUK RAWISANDRAN A/L NARAYANAN

Independent Non-Executive Director

Malaysian	Male	63
Appointed Date 25 July 2025	Board Committee Membership(s) Chairman of Nomination Committee Member of Audit, Governance and Risk Committee and Remuneration Committee	

QUALIFICATION

1. Professional Diploma in Business Management, Asian Management Development Academy PLT, Malaysia (Oxford Business College, United Kingdom)
2. Diploma In Business Management Asian Management Development Academy PLT, Malaysia (Oxford Business College, United Kingdom)

WORK EXPERIENCE

Datuk Rawisandran A/L Narayanan (“Datuk Rawi”) was appointed to the Board as the Independent Non-Executive Director on 25 July 2025. He has extensive experience in corporate leadership, public administration and governance.

He has held key board positions, including serving as an Independent Non-Executive Director of Tenaga Nasional Berhad from October 2020 to May 2023. He is currently an Independent Non-Executive Director of Pengurusan Aset Air Berhad (PAAB), a company under the Ministry of Finance Incorporated, and a Director of the National Land Finance Co-Operative Society Limited since 2021.

He has extensive experience in public service and political administration, having previously served as a Member of the Sepang District Council, Member of the Kajang Municipal Council and a Senator. He was also actively involved in political leadership, including serving as Secretary of the Malaysian Indian Congress (MIC) Selangor and as a candidate in the 13th and 14th General Elections.

He has been conferred several honours in recognition of his contributions, including the Pingat Jasa Kebaktian (PJK) from the State of Selangor, Kesatria Mangku Negara (KMN) and the title of Datuk (PJN) in 2018.

He currently serves directorships in several private companies, including AK One Management Technology Sdn. Bhd., AK One Health Care Sdn. Bhd. (Clinic Dr Care) and Meru Jaya Green Solution Sdn. Bhd.

He has no family relationship with other Director and/or major shareholder of the Group. He does not have any conflict of interest or potential conflict of interest with the Group. He has not been convicted for any offences within the past five years other than traffic offences.

He has attended all two (2) Board meetings held during the financial year ended 31 December 2025, following his appointment in July 2025.

KEY MANAGEMENT TEAM'S PROFILE



WAN NOOR AZHAN BIN WAN SHAHRUDDEH, CA (M)

Group Financial Controller

Malaysian

Male

46

Wan Noor Azhan was redesignated as Group Financial Controller in January 2025, following his tenure as Group Accountant since June 2020.

He brings along with him 19 years of experience, including 8 years in senior positions at two Public Listed Companies (PLCs) before joining the Group in 2020.

He is responsible for financial planning and analysis, corporate finance, taxation, audit, risk management, compliance, internal controls, and reporting, ensuring strong financial governance, operational efficiency, and sustainable growth for the Group. Additionally, he oversees the procurement activities of the Manufacturing division, focusing on cost efficiency, process optimisation, and compliance with procurement policies.

He holds a Diploma in Accountancy and a Bachelor's Degree in Accounting from Universiti Kebangsaan Malaysia. He is also a member of the Malaysian Institute of Accountants (MIA).

He does not hold any directorships in public companies or listed organisations in Malaysia.



DAVID TEH CHENG LIM

Head of Internal Audit

Malaysian

Male

60

Mr. David Teh Cheng Lim (David) was appointed the Head of Internal Audit of Nextgreen Global Group on August 1, 2021. David is a Fellow member of the Association of Chartered Certified Accountants, Association of Chartered Certified Accountants, United Kingdom. In addition, he is also a Chartered Member of the Institute of Internal Auditors Malaysia and a Certified Anti Money Laundering Specialist.

David brings to the Nextgreen Group over 25 years of experience in governance, risk and controls, anti-bribery & anti-corruption, anti-money laundering and compliance.

He has diverse governance, risk, controls, anti-bribery & anti-corruption, anti-money laundering experience in a wide variety of industries such as agriculture, plantation and mills, manufacturing of fast moving consumer goods, property development, property construction, education, hospitality, food & beverage, motors, retailing & trading, roads & highway development and maintenance, forestry & timber and gaming (casino). His experience was gained in Malaysia and overseas.

He does not hold any directorship in any public companies and listed organisations in Malaysia.

Other information in respect of all Key Management Team ("KMT")

1. Save and except for Mr. Austin, none of the KMT have any family relationship with any director and/or major shareholder of the Company.
2. None of the KMT have any conflict of interest or potential conflict of interest with the Group.
3. None of the KMT have been convicted for offences other than traffic offences, if any, within the past five years.
4. None of the KMT have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY MANAGEMENT TEAM'S PROFILE (CONT'D)



AZMIR BIN ABDUL AZIZ

Head of Risk, Governance and Integrity

Malaysian

Male

51

Azmir joined the Group as Head of Risk, Governance, and Integrity in June 2024. He holds a Bachelor of Business Administration (Hons) in Marketing from Universiti Teknologi MARA (UiTM) and has over 20 years of experience in Risk Management, Internal Audit, and Governance. A Certified Integrity Officer (CeIO) and a member of the Institute of Internal Auditors Malaysia (IIAM), he has developed risk frameworks, governance policies, and compliance structures.

Before joining Nextgreen Group, he was the Head of Risk Management & Governance at a conference and exhibition organiser for a global energy group. He also held roles as a Risk Analyst and Internal Audit Team Leader in various public-listed companies, gaining experience across multiple industries, including automotive, manufacturing, property, aviation, telco, pharmaceuticals, and services.

He started his career as an Internal Auditor at a retail subsidiary of the largest conglomerate before advancing to a Corporate Internal Auditor role at a leading automotive conglomerate.

He does not hold any directorship in any public companies and listed organisations in Malaysia.



LIM KEAN SEANG, AUSTIN

Executive Director, Nextgreen Fertilizer Sdn. Bhd. ("NGF")

Malaysian

Male

31

Mr. Austin established himself at Nextgreen Fertilizer Sdn Bhd ("NGF") from its founding in January 2021 - serving as its inaugural operational director. He designed NGF's commercial architecture from the ground up, translating NGGB's bio-integrated zero-waste model into a structured fertiliser business anchored by proprietary nutrient formulations in liquid and powder forms. Derived from pulping residues and upcycled oil palm EFB, these formulations are enhanced with soil microbial inputs to improve soil health and crop yield efficiency. He was appointed Executive Director of NGF on 1 January 2023, in recognition of his foundational role in building the business.

Over five years, Mr. Austin transformed NGF from a conceptual startup into an active international exporter across ten markets. He led the development of the "Black Diamond" solution, NexBooster™—a science-led, yield-enhancing alternative to conventional chemical fertilisers. His execution spanned the full product lifecycle, from laboratory-scale synthesis and field-trial validation to regulatory compliance and circular economy supply chain management.

In 2025, he secured a landmark ten-year pioneer status and tax exemption for Nextgreen Agrofeed Sdn Bhd ("NGA"), with large-scale specialised feedstock production set to commence in Q3 2026. In the same year, he was recognised by Young Achievement Records as Malaysia's youngest Agricultural Executive Director to launch the nation's largest biomass-based fertiliser facility.

Closing the year, NGF formalised a collaboration with the Malaysian Agricultural Research and Development Institute (MARDI) on 13 November 2025, marking a national-level endorsement of NGF's fertiliser technology through rice cultivation trials and a fitting culmination of Mr. Austin's work to embed NGF within NGGB's strategic growth and regenerative agriculture agenda.

Mr. Austin is the son of Dato' Lim Thiam Huat, the Managing Director of the Company and brother to Ts. Dr. Lim Kah Yen and Ms. Lim Kah Yee, both the Executive Directors of the Company. Save as disclosed, he has no family relationship with other Director and/or major shareholder of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS



OVERVIEW OF BUSINESS

Nextgreen Global Berhad (“Nextgreen” or “the Group”) is a pioneer in the Malaysian green technology sector, focusing on the conversion of agricultural waste into high-value industrial products. Our primary operations are centred at the 410-acre Green Technology Park (“GTP”) in Pekan, Pahang, where we employ a zero-waste circular economy model. The Group’s core activities include the production of non-wood pulp, paper, biofertilisers and bioenergy.

The Group’s manufacturing model is anchored on a circular production approach, whereby empty fruit bunch (“EFB”) biomass is converted into pulp and downstream products, while pulp recovered residue (recovered process streams) is further utilised in the production of biofertilisers. Pulp residue is a standard by-product generated from the chemical pulping process, which is subsequently treated and repurposed within the Group’s integrated production system. This integrated structure enables the Group to optimise resource utilisation, reduce waste and enhance overall value creation across its operations. As at 31 December 2025, the availability of such feedstock is estimated at approximately 14,368,427 litres.

OPERATING ENVIRONMENT AND TRENDS

The Group operates within a global industrial landscape increasingly defined by the transition toward Environmental, Social and Governance (“ESG”) excellence and the adoption of circular economy models. In the financial year ended 31 December 2025, several key trends emerged as significant drivers of our strategic and operational performance:



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Accelerated Shift toward Sustainable Packaging

The global push to mitigate plastic pollution has moved beyond corporate social responsibility to become a core regulatory and commercial requirement. With the introduction of stringent single-use plastic bans and the implementation of the European Union Deforestation Regulation (“EUDR”), downstream manufacturers are aggressively seeking renewable, non-wood pulp alternatives. This trend provides a favourable tailwind for Nextgreen, as our EFB-based pulp offers a high-performance, carbon-neutral solution for the packaging and paper industries.

Evolving Agricultural Practices and Biofertiliser Adoption

The agricultural sector is experiencing a structural shift toward sustainable farming practices, driven by a need to address soil degradation and the high cost of traditional chemical fertilisers. National initiatives, such as the National Agrofood Policy in Malaysia, are increasingly incentivising the use of organic inputs to ensure long-term food security and soil fertility. Our NexBooster™ liquid fertiliser and forthcoming solid fertiliser facility are direct beneficiaries of this trend. By converting nutrient-rich biomass by-products into high-value agricultural inputs, the Group is meeting a critical market need for sustainable fertilisers that enhance yield without the environmental footprint of conventional alternatives.

Strategic Resilience through Industrial Symbiosis

In an era of global supply chain disruptions and volatile commodity prices, the Group’s integrated model provides a significant competitive advantage. The concept of “industrial symbiosis” where the outputs of one process serve as the raw materials for another is the foundation of our operations at the GTP. By locating our manufacturing facilities in close proximity to biomass sources and operating an integrated value chain, we have effectively de-risked our operations from feedstock price fluctuations. This “waste-to-value” model not only ensures cost leadership but also positions Nextgreen as a preferred partner for global brands seeking traceable and transparent supply chains.



Supportive Domestic Policy

In Malaysia, these global trends are further reinforced by supportive domestic policy frameworks. The Government’s continued emphasis on biomass valorisation under the National Biomass Action Plan 2030, alongside fiscal incentives such as the Green Investment Tax Allowance (“GITA”) and Green Income Tax Exemption (“GITE”), has strengthened the commercial viability of waste-to-value solutions. In parallel, the National Energy Transition Roadmap (“NETR”) continues to promote industrial decarbonisation and circular resource utilisation, while broader sustainability initiatives under Budget 2025 further support the development of green manufacturing and bio-based products, including biofertiliser. These policy developments are well aligned with the Group’s integrated pulp and fertiliser operations, which convert oil palm biomass and recovered process streams into value-added products.

FINANCIAL PERFORMANCE REVIEW

The financial year ended 31 December 2025 was a period of significant growth, with the Group achieving robust performance across all key financial metrics.

REVENUE

RM91.0 million  34%
FY2024: RM68.0 million

GROSS PROFIT

RM63.9 million  74%
FY2024: RM36.7 million

PROFIT FROM OPERATIONS

RM56.0 million  91%
FY2024: RM29.3 million

PROFIT BEFORE TAX (“PBT”)

RM48.3 million  104%
FY2024: RM23.7 million

NET PROFIT (“PAT”)

RM29.8 million  29%
FY2024: RM23.1 million

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

PBT rose by **104%**, the increase in net profit was more moderate due to additional tax provisions, including prior period regularisation under the Special Voluntary Disclosure Programme (“SVDP”).”

Revenue growth was primarily driven by the Manufacturing Division, supported by the successful commercialisation of downstream fertiliser products. Gross profit expansion was underpinned by an improved product mix and better utilisation of production output. While PBT rose by 104%, the increase in net profit was more moderate due to additional tax provisions, including prior period regularisation under the Special Voluntary Disclosure Programme (“SVDP”).

SEGMENTAL PERFORMANCE REVIEW

Revenue	2025	2024
	(RM million)	(RM million)
Manufacturing	85.9	59.3
Printing & Publishing	1.9	7.5
Property & Construction	3.2	1.2
Utility & Renewable Energy	-	-
Others	-	-
Group Revenue	91.0	68.0

Profit/(loss) after tax	(RM million)	(RM million)
Manufacturing	52.3	35.4
Printing & Publishing	3.4	(0.6)
Property & Construction	(15.4)	0.1
Utility & Renewable Energy	(0.3)	(0.1)
Others	(10.2)	(8.2)
Group PAT	29.8	24.8

Manufacturing Division: The Manufacturing Division, comprising pulp and fertiliser operations, remains the Group’s leading revenue contributor, driven primarily by strong growth in the fertiliser division. In 2025, the Division contributed RM85.9 million to revenue (FY2024: RM59.3 million) and RM52.3 million to profit (FY2024: RM35.4 million).

Within the Division, the fertiliser segment, particularly liquid fertiliser, has emerged as the Group’s key growth engine, supported by increasing market acceptance and expanding demand from both domestic plantation players and export markets. The fertiliser segment comprises both liquid and solid products and is currently in a ramp-up phase. The liquid biofertiliser plant recorded production of approximately 5.84 million litres in FY2025 against a potential production capacity of 30 million litres per annum. The Group is currently undertaking automation upgrades to enhance process efficiency and consistency.

For solid fertiliser, the Group has a total installed capacity of 30,000 MT per annum, comprising both powder and granule products. The powder line has been fully installed and commissioned as at end-FY2025, while the granulation line is currently undergoing installation and testing.

The pulp segment continued to demonstrate operational stability, achieving a utilisation rate of approximately 86%, supported by improved plant uptime and consistent demand. While remaining a stable contributor, the segment plays an important strategic role within the Group’s integrated circular model, serving as a key feedstock source for biofertiliser production.

Printing and Publishing: The Printing & Publishing Division recorded revenue of RM1.9 million, a decline from RM7.51 million in FY2024, reflecting lower print volumes and timing differences in government-related printing assignments. Despite weaker operating performance, the Division recorded a profit of RM3.4 million, compared to a loss of RM0.60 million in FY2024, primarily supported by other income of RM8.24 million arising from gains on disposal of printing equipment, rental income and receivables recovery.

During the year, the Division undertook a rationalisation of its printing operations in response to structural shifts in the industry and declining demand for traditional print volumes. This included the disposal of major printing equipment as part of an asset optimisation exercise, alongside efforts to reduce fixed cost exposure. Vacant space is being progressively repurposed into a centralised distribution and warehousing hub to

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

support the Group's product flows while generating rental income from third-party tenants. The publishing arm continues to hold the rights for PKJR school textbooks, with future printing requirements expected to be subcontracted, enabling a transition towards a more asset-light and cost-efficient operating model.

The Property & Construction Division recorded external revenue of RM3.16 million, an increase from RM1.24 million in FY2024. During the financial year, the Division had only one active construction contract secured from outside the Group, namely the tissue paper plant project.

Progress of the project was affected by the customer's request to revise the plant design, involving an increase in production capacity from 5,000 metric tonnes to 30,000 metric tonnes per annum. This variation required design modifications and technical reassessment, which slowed construction progress and consequently deferred revenue recognition.

As a result, the Division recorded a loss of RM15.37 million for the year, compared to a marginal profit of RM0.05 million in FY2024, mainly due to the recognition of a significant tax expense relating to prior period tax matters.

The Utility & Renewable Energy Division remained in its pre-operational and preparatory phase during FY2025 and accordingly did not record any revenue during the financial year (FY2024: Nil). The Division reported a loss after tax of RM0.3 million, compared to a loss of RM0.1 million in the previous year, mainly attributable to ongoing administrative expenses and preliminary costs incurred in advancing project development and operational readiness. No material income was recognised as the Division has yet to commence commercial operations.

The Others segment comprises the parent company and certain non-core subsidiaries. The Division did not record any operating revenue for FY2025 (FY2024: Nil), as any management fees charged to subsidiaries are eliminated upon consolidation at the Group level. The Division recorded a loss after tax of RM10.2 million, compared to RM8.2 million in FY2024. The higher loss was mainly attributable to corporate-level expenses, including administrative overheads, financing-related costs, and expenses incurred in supporting the Group's expansion, investment activities, and ongoing corporate exercises.

SHARE PRICE AND MARKET CAPITALISATION

As at 31 December 2025, the Group's share price closed at RM0.80, bringing its market capitalisation to RM874.72 million based on 1,093,405,718 issued shares, reflecting continued investor interest, supported by improved financial performance and ongoing strategic developments.

BALANCE SHEET STRENGTH

The Group's financial position strengthened considerably in FY2025, reflecting the successful expansion of our industrial base. Total assets increased to RM770.3 million (FY2024: RM579.3 million), while shareholders' equity rose to RM497.3 million (FY2024: RM442.6 million). This expansion resulted in a 12.4% improvement in net asset per share to 46 sen, up from 42 sen.

The growth in our asset base was primarily driven by strategic investments in property, plant and equipment ("PPE"), property development work-in-progress and the continued build-out of operational infrastructure within the GTP. Working capital requirements increased in tandem with our business expansion, specifically in trade receivables and inventory positioning, ensuring we remain well-equipped to meet growing operational demands.

CASH FLOW, LIQUIDITY AND CAPITAL RESOURCES

The Group maintained a robust liquidity position throughout FY2025, supported by stronger earnings generation. Net cash used in operating activities stood at RM70.5 million, a reflection of our operational performance and commercial traction.

To fuel our long-term growth, we undertook significant investing activities, recording a net cash outflow of RM36.3 million. These funds were primarily deployed for property development works, capital expenditure on plant and equipment and the broader infrastructure development within the GTP.

These investments were supported by net cash inflows of RM119.4 million from financing activities. This capital was sourced through a combination of bank borrowings, proceeds from a private placement and the issuance of Redeemable Convertible Preference Shares ("RCPS").

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OUTLOOK

The Group's strategic roadmap is defined by clear execution timeframes designed to transition Nextgreen from a commercial entrant into a large-scale industrial leader. Our outlook is categorised into short, medium and long-term phases to provide a transparent view of our growth trajectory and operational priorities.

Short-term (FY2026) - Operational Optimisation and Efficiency

In FY2026, the Group expects to maintain its overall revenue growth trajectory, with the fertiliser segment remaining the primary catalyst for turnover expansion. Management will continue to focus on operational optimisation, including improving plant utilisation and enhancing cost efficiency across the manufacturing process.

During the year, the Group will undertake a planned upgrade of its pulp production capacity from 10,000 MT per annum to 15,000 MT per annum. This upgrade is expected to involve a temporary shutdown period of approximately six (6) months, resulting in lower pulp production and sales during the financial year. Nevertheless, existing stock buffers are expected to sustain ongoing sales during the transition period.

Notwithstanding the temporary disruption in pulp production, the fertiliser segment is expected to remain resilient and continue its growth trajectory. This is supported by the availability of pulp recovered residue (recovered process streams), which stood at approximately 14,368,427 litres as at 31 December 2025, enabling continued biofertiliser production to meet existing customer demand.



The liquid fertiliser plant is expected to benefit from ongoing automation upgrades, which will enhance production efficiency and support scaling towards its full capacity of up to 30 million litres annually. For solid fertiliser, the granulation line is targeted for completion, including DOSH inspection, by June 2026, and is expected to contribute to higher utilisation levels in the second half of the financial year.

Medium-term (two to three years) - Industrial Scaling and Margin Expansion

Over the medium term, the Group's growth will be driven by the scaling up of its fertiliser production capacity and the strengthening of its market presence. The fertiliser segment is expected to achieve higher utilisation levels as production stabilises and customer demand continues to expand across both domestic and export markets.

A key pillar of this phase is the progression of the NeuWhite® pulp plant, which is designed for an annual capacity of 150,000 MT. The development of this facility is expected to significantly enhance the Group's production scale, improve cost efficiency, and strengthen feedstock availability to support downstream biofertiliser production.

As operations scale, the Group expects to benefit from improved economies of scale, operational efficiencies and margin expansion across its integrated manufacturing platform.

Long-term (Over five years) - Ecosystem Integration and Value Chain Diversification

In the long term, the Group aims to fully realise an integrated green industrial ecosystem within the GTP. This includes the expansion of its biomass supply chain through the development of Collection and Processing Centres ("CPC"), ensuring a consistent and scalable feedstock supply.

Leveraging its integrated model, the Group intends to further diversify into downstream value-added products derived from biomass and recovered process streams, strengthening its position within the circular economy and enhancing long-term value creation.

In addition, the Group is exploring the development of supporting infrastructure within the GTP, including commercial facilities, workers' accommodation and an education hub, to be undertaken by Ultimate Ivory Sdn Bhd, the Group's wholly-owned subsidiary and master developer of the GTP. These initiatives are intended to support the long-term development of an integrated industrial ecosystem.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)






KNOWN AND ANTICIPATED RISKS

At Nextgreen, effective risk management is an integral component of our business strategy and operational resilience. We recognise that a structured and proactive approach to risk management is essential in navigating evolving challenges within our operating environment and supporting sustainable long-term growth.








We continue to strengthen our risk management framework in line with recognised industry practices to ensure that risks are effectively identified, assessed and managed. This approach enables the Group to anticipate potential challenges, implement appropriate mitigation measures and respond effectively to changing market and operational conditions.

As part of our commitment to strengthening governance and risk oversight, we established the Risk, Governance and Integrity Department in June 2024. The department plays a key role in supporting the implementation of the Group's Enterprise Risk Management ("ERM") framework, promoting risk awareness, strengthening internal controls and embedding a risk-conscious culture across the organisation.

Through the Group's risk assessment process, twelve (12) core strategic and operational risks have been identified as having the potential to impact the Group's performance and long-term sustainability. These risks are actively monitored and supported by mitigation strategies implemented by Management, as summarised in the table below.

No.	Key Risk	Description	Mitigation Plan
1.	 Strategic Alignment	Risk of misalignment between the Group's strategic objectives and execution due to ineffective communication, limited resources or inadequate monitoring mechanisms.	Establish clear communication of strategic objectives across subsidiaries, strengthen performance monitoring mechanisms and promote cross-departmental collaboration to ensure alignment between strategy and operational execution.
2.	 Financial Management	Risks associated with capital allocation, investment decisions and financing strategies which may result in liquidity constraints or financial inefficiencies.	Implement prudent financial planning and forecasting practices, diversify funding sources and maintain effective liquidity management to support sustainable growth.
3.	 Market Dynamics	Changes in market conditions, customer preferences or industry trends that may adversely affect product demand, pricing and overall business performance.	Conduct continuous market monitoring and analysis, undertake customer research and adapt product strategies and operational planning in response to market developments.
4.	 Partnerships and Alliances	Risks arising from strategic alliances, joint ventures or business partnerships, including potential misalignment of objectives, operational integration challenges or contractual disputes.	Perform comprehensive due diligence on potential partners, establish clear contractual agreements and maintain regular communication to ensure alignment of objectives and expectations.
5.	 Legal and Regulatory Compliance	Non-compliance with applicable laws, environmental regulations, safety standards or other regulatory requirements which may lead to legal penalties, operational disruptions or reputational damage.	Strengthen regulatory monitoring, implement compliance programmes, conduct periodic training and establish internal controls to ensure adherence to applicable legal and regulatory requirements.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

No.	Key Risk	Description	Mitigation Plan
6.	 Operational Disruptions	Operational risks arising from equipment failures, supply chain interruptions, production inefficiencies or other operational incidents that may disrupt production activities.	Implement preventive maintenance programmes, strengthen operational monitoring systems and establish contingency plans to ensure continuity of critical operations.
7.	 Human Capital Management	Workforce instability resulting from talent shortages, inadequate training or employee attrition that may impact operational efficiency and organisational performance.	Align training and development initiatives with business needs, enhance employee engagement programmes and implement talent development strategies to strengthen workforce capability.
8.	 Reputational Risk	Potential damage to the Group's brand or corporate reputation arising from negative publicity, product issues, regulatory actions or stakeholder concerns.	Strengthen stakeholder engagement, implement effective communication strategies and maintain robust crisis management procedures supported by Corporate Social Responsibility initiatives.
9.	 Supply Chain Disruptions	Disruptions in the supply chain caused by supplier performance issues, logistics challenges or shortages of critical raw materials.	Conduct supplier risk assessments, diversify sourcing strategies and establish long-term supplier relationships to ensure supply chain stability.
10.	 Competitive Pressure	Increased competition within the industry that may lead to loss of market share, pricing pressures and reduced profitability.	Invest in research and development, enhance product differentiation and pursue continuous innovation to maintain a competitive advantage.
11.	 Health, Safety, Security and Environment ("HSSE")	Risks related to workplace safety incidents, environmental impacts or security breaches that may result in operational disruptions, legal liabilities or reputational damage.	Promote a strong safety culture through continuous training, enforce compliance with HSSE standards, and implement effective incident-reporting and monitoring systems.
12.	 Technology and Cybersecurity	Rapid technological changes or cybersecurity threats that may disrupt business operations, compromise sensitive data or affect system reliability.	Strengthen partnerships with technology providers, monitor emerging technological trends and implement cybersecurity awareness training and protective measures.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Countermeasures and Ongoing Risk Governance

The Group has implemented a comprehensive set of mitigation measures to address each identified risk, supported by appropriate contingency planning to ensure operational resilience and continuity of business operations.

In addition to the mitigation strategies established for each key risk, the Group continues to strengthen its risk management practices through structured monitoring and risk governance activities. During the financial year under review, the Risk, Governance and Integrity Department conducted several initiatives to enhance risk oversight and operational preparedness. These included a desktop high-level risk assessment review for the proposed NeuWhite® JV project to identify potential strategic and partnership risks, the implementation of a high-level Business Impact Analysis to identify critical business processes and support business continuity planning, as well as a Flood Risk Assessment and Mitigation Plan at the GTP to evaluate potential exposure to extreme weather conditions.

The Group also conducted periodic engagement sessions with departmental Risk Coordinators to review risk registers, monitor mitigation progress and identify emerging risk exposures within their respective operational areas. In addition, Enterprise Risk Management awareness sessions were carried out for new employees to promote risk awareness and strengthen the Group's risk-conscious culture.

These initiatives complement the Group's ongoing risk monitoring processes. The Risk, Governance and Integrity Department conducts periodic reviews of key risks and mitigation measures to ensure their continued effectiveness and to enable timely responses to emerging challenges.

By fostering a culture of accountability, transparency and continuous improvement, the Group remains well-positioned to safeguard its strategic objectives, protect stakeholder value and ensure long-term operational and financial stability.







CORPORATE SUSTAINABILITY STATEMENT



Statement Overview

Nextgreen Global Berhad (“Nextgreen”, “Company” or “Group”) seeks to advance the global transition toward environmentally responsible and sustainable products. The Group promotes circularity through the development of innovative products and processes that reduce waste, enhance resource efficiency, and are supported by responsible business practices and partnerships across the value chain. Sustainability considerations are also embedded into the Group’s business model through the advancement of new product ventures aligned with circular economy and zero-waste principles.

In 2025, the Group enhanced its sustainability strategy compared to 2024, with key focus areas as follows:

- | | | |
|---|---|--|
| 1 |  | Strengthening Greenhouse Gas (“GHG”) accounting methodologies to improve measurement robustness and transparency. |
| 2 |  | Enhancing data collection processes to improve accuracy, consistency and reliability of sustainability data. |
| 3 |  | Reinforcing the sustainability framework and governance structure to support effective oversight and implementation. |
| 4 |  | Advancing sustainable product initiatives by preparing for MSPO Chain of Custody certification and enhancing products to support circular economy and zero-waste objectives. |

Through these initiatives, the Group continues to integrate sustainability into its strategic direction and operations, supporting long-term resilience and value creation.

SCOPE AND BASIS OF THE SCOPE

OUR REPORTING APPROACH

The contents of this report have been prepared according to the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements (“MMLR”) with reference to the Global Reporting Initiative (“GRI”) Standards and Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition).

REPORTING PERIOD

This Statement is based on material aspects of the Group which covers the period from 1st January 2025 to 31st December 2025, unless otherwise stated.

SCOPE AND BOUNDARIES




The reporting scope for this Statement covers our active subsidiaries, namely Ultimate Ivory Sdn Bhd (“Ultimate Ivory”), Nextgreen Pulp and Paper Sdn Bhd (“NGPP”), and Nextgreen Fertilizer Sdn Bhd (“NGF”) as well as the Group at the corporate level, Nextgreen Global Berhad (“NGGB”). Where relevant, quantitative data are provided for a three (3) year performance duration.

In the current reporting period, the Group has refined the scope and reporting boundary of its sustainability disclosures to reflect strategic adjustments across our operations. As part of this refinement, BHS Book Printing Sdn Bhd (“BHS Book Printing”) is excluded from the current sustainability reporting scope. This decision reflects the division’s transition towards a distributor-focused model, serving a niche customer segment in response to evolving global market dynamics. Its role within the Group is will become more specialised, in line with the Group’s long-term strategy of optimising resources and focusing on scalable, high-impact operations. The exclusion ensures that the sustainability reporting scope remains material, representative, and focused on areas with broader environmental, social, and governance impacts.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)



Internal review on sustainability data for 2025 was conducted by the Internal Auditor on 7 key focus areas, covering a total of 13 selected data points, to provide assurance on the accuracy, completeness, and integrity of the reported information. The audited data points are listed below.

Priority Material Topics	Key Area	Indicator
 Good Governance, Ethics & Conduct and Compliance	Anti-corruption	Percentage of employees who have received training on anti-corruption by employee category
		Percentage of operations assessed for corruption-related risks
		Number of confirmed incidents of corruption
	Labour practices and standards	Number of substantiated complaints concerning human rights violations
Supply chain management	Proportion of spending on local suppliers, %	
 Responsible Environment Management	Energy management	Total energy consumption, Gigajoule (GJ)
	Water	Total volume of water used, Megalitre (ML)
	Waste management	Total waste generated, tonnes
		Total waste diverted from disposal, tonnes
 Occupational Safety & Health	Health and safety	Number of work-related fatalities
		Lost time incident rate, LTIR
		Number of employees trained on health and safety standards

The remaining sustainability performance data has been gathered, verified, and validated internally by the respective subsidiaries, business divisions, and data owners. Where applicable, disclosures are presented on a rolling three (3) year basis to enable performance tracking and trend analysis.

In 2025, the Group strengthened its assurance approach by adopting an internal audit-led process. With their accessibility and operational knowledge, the internal audit team can access detailed data and ensure its accuracy. The process also helps data owners implement structured collection practices, building internal capability and laying a solid foundation for future external assurance.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MEMBERSHIP AND VOLUNTARY COMMITMENTS

We strengthen our approach through partnerships and collaborations with external entities. These memberships and voluntary commitments reflect our values, support our collaborative way of working with partners, and provide platforms for contributing to industry best practices. We actively engage in these memberships to both gather industry insights and contribute toward improving our overall performance and delivering sustainable value to stakeholders. Through these engagements, we also advance our shared contribution to sustainable development.



CERTIFIED SUSTAINABLE PALM OIL
RSPO
8 0011 08 000 00

We remain supportive to its mission to promote the growth and use of sustainable palm oil and palm oil products.

Member since
1st November 2018



WE SUPPORT
UN GLOBAL COMPACT

Member of
UNGC MYB since
3rd May 2021

We remain committed to transparent and accountable corporate reporting, having embarked on the UN Global Compact's 2022 Early Adopters Programme. In line with this commitment, we report our progress in accordance with the UNGC's ten universally accepted principles covering human rights, labour, environment and anti-corruption. Refer to the Global Framework Reporting Content Index on pages 80 to 81 for details of this alignment.



MSPO

Supporting
since Jan 2024

We remain committed to ensuring that our raw materials, including palm oil biomass, are sourced responsibly. In recognition of the growing importance of traceability and sustainability across the supply chain, we continue to strengthen data accuracy and uphold compliance standards.

NGPP commenced preparations for the MSPO Chain of Custody certification for Oil Palm Biomass (MS 2751:2022), with the audit scheduled for 2026. We are among the early adopters of this certification, reinforcing our commitment to responsible sourcing and sustainable biomass traceability.

Our Standards and Certifications

Nextgreen Pulp & Paper Sdn Bhd

ISO Standard we comply to:

ISO 9001:2015
Quality Management System ("QMS")



ISO 14001:2015
Environment Management System ("EMS")



MyHijau Mark by Malaysian Green Technology & Climate Change Corporation for:



MyHP 00243/23

NeuWhite®
Woodfree Paper



MyHP00559/24

NeuWhite®
EFB Pulp Sheet and
Slurry

Sirim Eco-Labeling certification for:



NeuWhite®
Woodfree Paper



NeuWhite®
EFB Pulp Sheet and Slurry

CONTACT US

Nextgreen welcomes feedback and suggestions from stakeholders to help the Company enhance future reporting, communication, and sustainability practices. Suggestions or feedback can be submitted via email to:

 info@nextgreenglobal.com











CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

OUR SUSTAINABILITY APPROACH

Nextgreen is committed to advancing sustainability through circular economy, transforming biomass into innovative green products while working towards a zero-waste ecosystem powered by renewable energy. "Next Generation of Green" reflects our continuous drive to innovate in sustainable and renewable materials, delivering integrated solutions that contribute to a greener future.

In 2025, Nextgreen established a new Sustainability Framework to embed sustainability across the organisation, support strategic decision-making, and implement targeted initiatives. The framework is structured around five (5) strategic pillars, aligned with the Sustainable Development Goals and key ESG priorities. While the 2025 report continued to follow the existing 5P Thematic Areas: People, Prosperity, Planet, Principles of Governance, and Partnerships & Pipeline. The new framework will be applied fully from 2026 reporting onwards as our official GREEN Framework, guiding sustainability initiatives, risk management, and transparent reporting.

Nextgreen Sustainability Framework

  Good Governance & Compliance	  Responsible & Sustainable Operations	  Empowering People	  Environmental Responsibility	  Next-Level Transformation
<p>Maintaining full compliance with laws and regulations and upholding the highest standards of ethics and transparency.</p>	<p>Ensuring consistent product performance and operational excellence through effective cost management and optimisation.</p>	<p>Fostering a safe, healthy, and engaging workplace with excellent employee development, fair compensation, and strong collaboration.</p>	<p>Operating responsibly to protect the environment through effective monitoring and sustainable waste management.</p>	<p>Delivering consistently high-quality and innovative products while driving excellence through continuous innovation and advanced technology adoption, and partnership.</p>
Commitments				
<p>Zero substantiated corruption/ bribery incidents and regulatory violations.</p>	<p>Zero Product Defects.</p>	<p>Zero work-related fatalities occurred at site.</p>	<p>Zero Harm to the Environment.</p>	<p>Zero By-Products Left behind.</p>

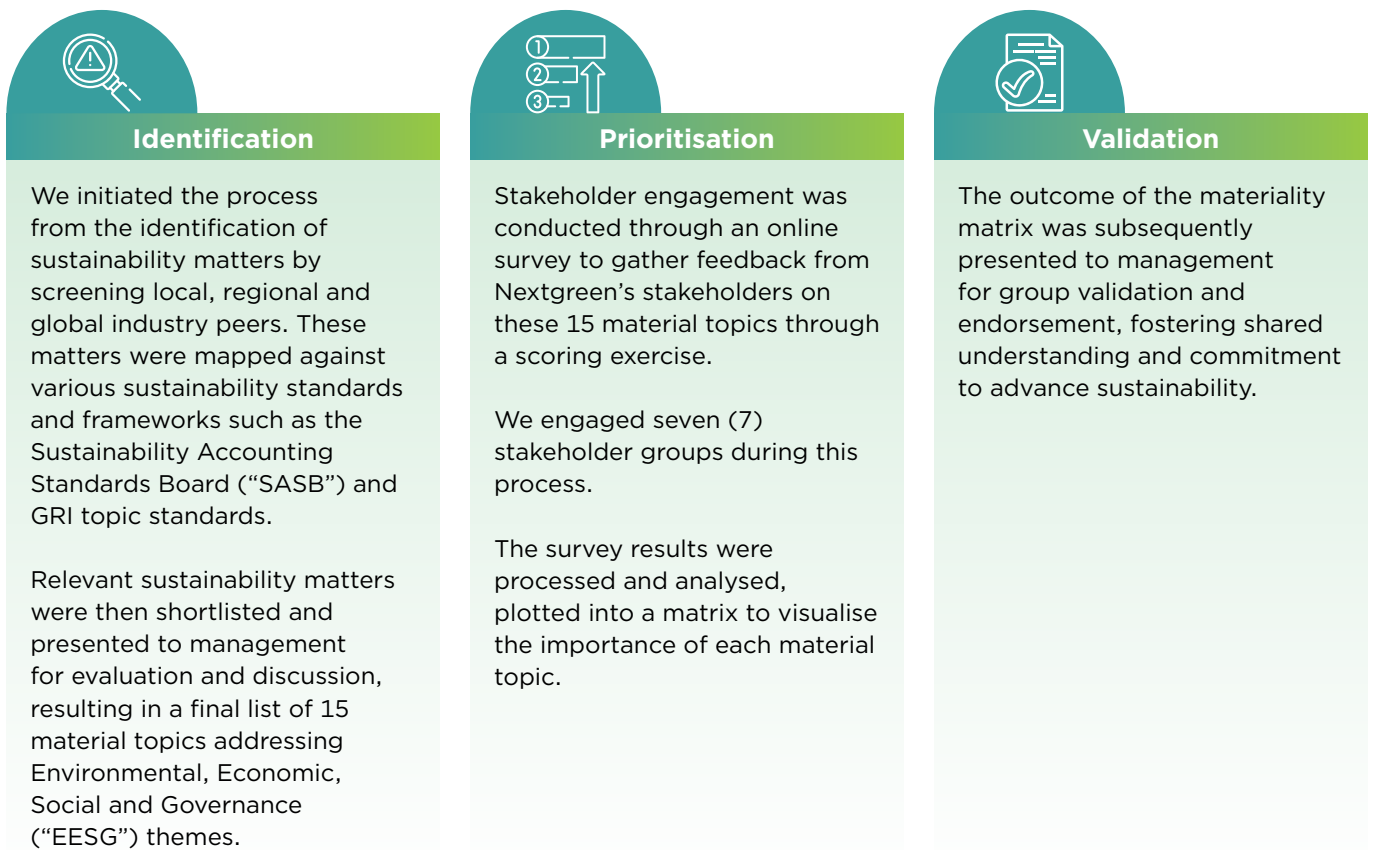
CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY ASSESSMENT

Materiality Determination Process

Nextgreen's long-term resilience relies on understanding the evolving sustainability landscape and addressing issues that may shape our strategic direction. We remain mindful of the ESG impacts of our operations, integrating these considerations into our approach to sustainable growth. Through periodic materiality assessments, we identify and prioritise issues that matter to both our business and stakeholders, enabling us to manage risks and report on them transparently.

We performed a comprehensive materiality assessment in 2024, which provides the strategic directions for our Sustainability Framework and sustainability focus areas. Following this, we conduct annual internal reviews to ensure the continued relevance and alignment of our material sustainability matters with evolving business priorities, stakeholder expectation and global sustainability trends. Guided by the Bursa Malaysia Sustainability Reporting Guide (3rd edition) and GRI standards, our materiality assessment process is based on a three (3) step approach:



Materiality Matters

Our 15 material topics are mapped according to EESG themes, with corresponding definitions to explain what each material topic represents for Nextgreen, linked to our contributions and alignment to respective Sustainable Development Goals (“SDGs”). Our most recent comprehensive materiality assessment was conducted in 2024. As we undertake a refreshed materiality assessment every two (2) years, the current materiality matrix remains valid for 2025.





Businesses play an important role in advancing the SDGs. At Nextgreen, we view contributing to the realisation of the SDGs as a core responsibility. We have identified the following eight (8) global goals where we have an opportunity to make the greatest impact, given the nature of our business.


CORPORATE SUSTAINABILITY STATEMENT (CONT'D)


Material Topic	Topic Description
Environment (Planet)	
Circular Economy	Nextgreen seeks to close the loop in its production processes by adopting zero-waste practices, and create a sustainable and circulatory system.
GHG Emissions	Nextgreen intends to monitor and manage GHG emissions within our operations.
Responsible Environmental Management	Nextgreen ensures responsible management and utilisation of natural resources (water management, waste management and energy consumption) within our operations.
Responsible Raw Material Procurement & Consumption	Consideration of ESG factors throughout supply chain management and processes to meet legal requirements and ensure a resilient, compliant supply chain for Nextgreen.
Economy/Business (Prosperity and Partnerships & Pipeline)	
Business Strategy & Financial Performance	By adopting circular economy principles, the company aims to create value from waste, costs efficiency, and generate new revenue streams while maintaining financial viability and profitability.
Product Innovation & Quality	By focusing on research and development, leading to innovative product development, the company aims to optimise the value derived from EFB and create products that meet ESG-oriented quality standard, contributing to a circular economy model.
Social (People)	
Contributions to the Community	At Nextgreen, we intend to enhance the well-being of local communities through various community engagement initiatives and partnerships.
Diversity & Equal Opportunities	Nextgreen promotes a workplace that values and leverages the diverse backgrounds, experiences, talents and gender diversity of our employees.
Employee Management	Nextgreen promotes a positive work environment and culture to enhance productivity, foster employee engagement and retention, and enable succession planning.
Human Rights & Labour Standard	Upholding human rights and labour standards is imperative to ensure the fair treatment and well-being of workers throughout our business and supply chain.
Occupational Safety & Health	Nextgreen practices zero-tolerance against workplace hazards, prevent accidents, and promote a safe and healthy working environment for all employees.
Training & Development	Nextgreen invests in training and development to equip employees with the relevant knowledge, skills, and competencies needed to drive effective circular economy practices.
Governance (Principles of Governance)	
Compliance	As a manufacturer of green products, various environmental, health, safety and legal considerations that need to be addressed through robust internal & external compliance and risk management strategies.
Good Governance, Ethics & Conduct	Nextgreen must navigate complex ethical considerations, uphold transparency, and foster a culture of integrity by establishing strong governance frameworks, adhering to high ethical standards, and ensuring proper conduct are essential for the sustainable and responsible operation of the business.
Strategic Stakeholder Engagement & Communication	Nextgreen fosters strategic stakeholder engagement and building effective partnerships for the successful implementation and scaling of circular economy initiatives.



CORPORATE SUSTAINABILITY STATEMENT
(CONT'D)

Contributions to the SDGs

	<p>Adopting circularity through the use of biomass and by-products from our manufacturing process provides progressive opportunities for our business while reducing negative environmental impacts. Our manufacturing processes is resource-intensive and using raw materials, water and energy efficiently is fundamental to a sustainable business.</p>
	<p>Increasing our energy self-sufficiency improves profitability, energy security and reduces carbon emissions. We invest in maximising energy utilisation and process efficiencies through the utilisation of biomass for steam generation and integrating renewable solar photovoltaic (“PV”) power.</p>
	<p>Our manufacturing processes are water intensive; with operations impacting water resources through their extraction and use. We examine methods to enhance water quality by reducing pollution, eliminating improper disposal, dumping only at designated locations and minimising the release of hazardous chemicals and materials before treatment and boosting recycling and safe water reuse.</p>
	<p>Climate change is a threat to the future of our planet, making it crucial for us to adapt to it and mitigate its effects. In order to mitigate the effects of climate change, we examine approaches and actions to combat climate change by minimising carbon emissions in our business, operations and supply chain, restoring natural environments and investing in renewable energy.</p>

	<p>We contribute to economic and social development by investing in local infrastructure, creating business opportunities and driving collaboration. We are also taking a leading role in advancing research and development in the non-wood pulp and paper industry.</p>
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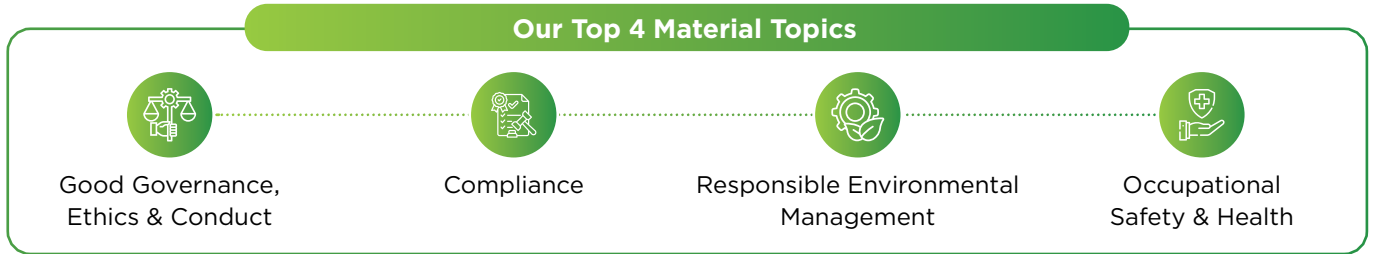
	<p>We work towards a fair, safe, diverse and inclusive workplace for our employees who benefit from decent working conditions, skills development and purposeful employment. Our support for local enterprises creates wealth and employment, strengthens the local supply chain and promotes resilient communities.</p>
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	<p>We put in place policies and procedures to reduce the opportunity for bribery and corruption, in line with national considerations. Employee training is in place to develop awareness of professional responsibilities.</p>
	<p>We work and collaborate with partners who help us in various ways, enabling us to learn new things, share best practices, achieve specific objectives, set future goals, and build trust among our stakeholders.</p>

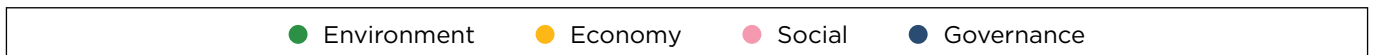
CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Our Materiality Matrix

The outcome of the assessment revealed four (4) material topics highly prioritised by our stakeholders:



Our materiality matrix is set out in the following diagram:



Environment	Economy	Social	Governance
Circular Economy	Business Strategy & Financial Performance	Contributions to the Community	Compliance
GHG Emissions	Product Innovation & Quality	Diversity & Equal Opportunities	Good Governance, Ethics & Conduct
Responsible Environmental Management		Employee Management	Strategic Stakeholder Engagement & Communication
Responsible Raw Material Procurement & Consumption		Human Rights & Labour Standard	
		Training & Development	
		Occupational Safety & Health	

Prioritised among the top four material matters for Nextgreen.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

IDENTIFYING AND ADDRESSING MATERIAL SUSTAINABILITY RISK AND OPPORTUNITIES

We have begun evaluating sustainability-related risks and opportunities linked to our key material topics through a structured risk assessment process. This enables the Group to assess potential financial and non-financial business impacts, implement appropriate mitigation and opportunity enhancement measures, and ensure continuous monitoring through established governance and oversight mechanisms.



Governance

Priority Material Topic	<ul style="list-style-type: none"> • Good Governance, Ethics & Conduct • Compliance
Material Risk Exposure	<p>Financial materiality Strong governance, ethical behaviour, and regulatory compliance are critical to safeguarding Nextgreen's long-term value creation and business resilience. Weakness in governance or ethical conduct may result in legal and regulatory penalties, operational disruptions, reputational damage, and reduced investor confidence, all of which can have material implications for financial performance and access to capital.</p> <p>Impact materiality Our decisions and business practices affect a wide range of stakeholders, including employees, customers, suppliers, regulators, and the communities in which we operate. Shortcomings in ethical standards may lead to adverse social impacts, erode trust, and undermine the integrity of our value chain.</p>
5P's Impacted	Principles of Governance
Potential Opportunity/ Value Creation	<p>By strengthening compliance frameworks, embedding ethical decision-making across our operations, and fostering a culture of integrity, we not only mitigate financial and regulatory risks but also enhance stakeholder confidence. These practices support our ability to attract investment, build customer trust, and sustain long-term profitability in an increasingly competitive and challenging market.</p> <p>Upholding high standards of integrity and transparency further enables us to promote fair business practices, respect human rights, and address corruption risks across our value chain, creating positive outcomes for both our business and society.</p>
Our Management Approach	Ensures strong governance, ethical conduct, and full regulatory compliance by embedding clear policies and standards into all operations, providing regular training and awareness programme, monitoring adherence through audits and reporting mechanisms, and continuously improving practices to uphold accountability, transparency, and responsible business conduct.
Key Initiatives and Actions Implemented	<ul style="list-style-type: none"> • Reinforce ethical standards through global awareness initiatives, such as International Anti-Corruption Day. • Ensure consistent reporting and monitoring of Enterprise Risk Management ("ERM") framework and Anti-Bribery and Anti-Corruption ("ABAC") indicators. • Provide onboarding and role-specific training on professional responsibilities, ERM, and the Adequate Procedures Programme. • Establish and strengthen policies and procedures to minimise opportunities for misconduct. Key initiatives include enhancing Know-Your-Counterparty ("KYC") procedures across all stakeholders, as well as progressively aligning sustainability reporting with the IFRS S1 and S2 requirements.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)



Environment

Priority Material Topic	▶ Responsible Environmental Management
Material Risk Exposure	<p>▶ Financial materiality Environmental performance has a material impact on Nextgreen's cost structure, operational continuity, and long-term competitiveness. High water and energy consumption increases exposure to rising utility costs, carbon-related pricing mechanisms, and potential capital expenditure requirements. Inadequate environmental management may result in regulatory non-compliance, leading to penalties, remediation costs, and climate-related impacts such as extreme weather and flooding, which could disrupt raw material supply and adversely affect profitability and asset value.</p> <p>Impact materiality Operating in the pulp and paper manufacturing industry, the Group's operations require significant water and energy consumption, placing pressure on natural resources and contributing to GHG emissions. If not properly managed, industrial waste and effluents may contaminate air, water, and soil, posing risks to local ecosystems, biodiversity, and surrounding communities. Reliance on non-renewable energy sources and inefficient energy use may further elevate GHG emissions, intensifying climate change and its associated impacts, including extreme weather events and environmental degradation.</p>
5P's Impacted	▶ Planet, Prosperity and Partnerships & Pipeline
Potential Opportunity/ Value Creation	<p>▶ Reducing energy use and emissions, transitioning to sustainable energy sources, and improving resource efficiency present opportunities that are both environmentally responsible and beneficial to the business. These efforts can lower operating costs, enhance productivity, strengthen regulatory compliance, and improve access to sustainable financing and environmentally conscious markets.</p> <p>Certification and traceability practices strengthen customer confidence and maintain access to price premium, sustainability-conscious markets, driving revenue growth and brand differentiation.</p>
Our Management Approach	▶ Ensuring compliance with key environmental regulations as a core component of responsible environmental management. This includes systematic monitoring, adherence to statutory requirements, and continuous improvement initiatives, reflecting our commitment to responsible operations and sustainable practices.
Key Initiatives and Actions Implemented	▶ <ul style="list-style-type: none"> • Continued investment in Research and Development activities focused on industrial waste circularity. • Maintaining transparent practices through internationally recognised, independent certification systems, including ISO 9001 and ISO 14001 for our manufacturing sites, and SIRIM Eco-labelling for our products, with plans to extend similar certifications to other subsidiaries. • Adoption of renewable energy and biomass fuel to power our manufacturing operations. • Preparing to comply with MSPO certification requirements to strengthen sustainable sourcing practices.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)



Social

Priority Material Topic	▶ Occupational Safety & Health	
Material Risk Exposure	<p>▶ Financial materiality</p> <p>Ensuring the health, safety and well-being of employees and contractors is not only a moral and social imperative but also has a significant financial impact by directly supporting stability and operational efficiency. Workplace incidents can result in costly consequences which include lost productivity, increased medical expenses borne by the company, compensation payments to affected employees, operational disruptions, and potential legal liabilities.</p>	<p>Impact materiality</p> <p>Health, safety and well-being play a vital role not only within our workforce but across the wider operational ecosystem. We are conscious that incidents on-site may impact employee confidence and morale.</p>
5P's Impacted	▶ People	
Potential Opportunity/ Value Creation	▶ Safe, healthy, and engaged employees and contractors are essential to maintaining operational stability, productivity, and trust. When workplaces are safe, people feel more connected and motivated, driving higher morale and performance. By promoting a safety-first culture and embedding safety into every decision and activity, we can safeguard our people while reducing the risk of operational and environmental incidents.	
Our Management Approach	▶ Ensuring compliance with legislation, standards, and requirements relating to Occupational Safety & Health, including systematic monitoring, adherence to statutory requirements, and continuous improvement initiatives, reflecting our commitment to responsible and sustainable operation.	
Key Initiatives and Actions Implemented	▶ <ul style="list-style-type: none"> • Striving for zero incidents or lost-time injuries (LTI) by implementing safe work practices, benchmarked against local and international standards. • Conducting regular health and safety risk monitoring and reporting to identify and assess potential risks to employees on site. • Promoting employee accountability for their own health and safety while on site through training and awareness programme. 	

Please refer to the People section (pages 65 to 72) for further details.




Risk, Governance & Integrity ("RGI") Assurance Statement

The material sustainability risks, opportunities, and management responses disclosed in the table above, including Legal and Governance Risk and Safety, Security, Health and Environment ("SHE") Risk, are aligned with and mapped to the Group's ERM framework and are subject to ongoing monitoring and oversight.





CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDER ENGAGEMENT

Nextgreen engages with a broad range of stakeholders who are connected to or influenced by our business operations. Our ability to execute our sustainability efforts in a purposeful way requires input from our diverse set of external and internal stakeholders. Inputs from these active and regular engagements helps us shape, advance and implement our sustainability strategy and is reflected in how we are striving to build a more resilient future.

Stakeholders	Purpose of Engagement	Engagement Methods & Frequency	Key Topics & Interests
 <p>Academic associations and research institutions</p>	<p>We collaborate with academic associations and research institutions to bring about meaningful change and sustainable solutions. We work collaboratively to develop and share industry best practices in advancing the non-wood pulp and paper industry, zero waste and circular economy.</p>	<p>As when needed</p> <ul style="list-style-type: none"> • Memorandum of Understanding (“MoU”)/ Memorandum of Agreement (“MoA”) • Knowledge transfer • Ongoing research and development collaborations 	<ul style="list-style-type: none"> • Creating talent pipeline • Educational site visit and industry sharing (pages 76 to 78) • On-the-job training programmes (page 72) • Product innovation & quality (pages 62 to 64, 79) • Strategic stakeholder engagement & communication such as research grants and collaboration projects (pages 76 to 78) • Responsible environment management (pages 56 to 64) • Circular economy (page 64)
 <p>Customers</p>	<p>We engage with our customers to understand their needs, demands and anticipate market trends. Our engagement helps us to prioritise long-term success for our business and our customers by providing an opportunity to develop innovative solutions, foster strong relationships and assist them achieve their own objectives.</p>	<p>As when needed</p> <ul style="list-style-type: none"> • Company website and social media • Customer satisfaction survey • Letter of Intent (“LoI”) • Ongoing dialogue, negotiations and account management • Periodic trade fairs • Site Visits 	<ul style="list-style-type: none"> • Carbon footprint (pages 60 to 62) • Consistent supply of products • Product pricing • Public awareness on sustainable products, EFB pulp and paper products using EFB as a raw material (pages 74 to 75) • Responsible raw material procurement & consumption (pages 57 to 58) • Product innovation & quality (pages 62 to 64, 79)
 <p>Employees</p>	<p>We frequently engage with our employees to create positive experiences and promote a shared company culture and values. By fostering open dialogue, we provide opportunities to identify and address challenges collaboratively while offering career development support to empower our employees to drive our business forward. A united and integrated sustainable company is better positioned to attract and retain the essential skills needed for success.</p>	<p>Daily</p> <ul style="list-style-type: none"> • Department toolbox meeting <p>Monthly</p> <ul style="list-style-type: none"> • Management system reviews <p>Annually</p> <ul style="list-style-type: none"> • Performance review <p>As when needed</p> <ul style="list-style-type: none"> • Workplace meetings and gatherings • Bulletin boards • Employee/safety handbook • Periodic trainings and workshops 	<ul style="list-style-type: none"> • Product innovation & quality (pages 62 to 64, 79) • Diversity & equal opportunities (pages 70 to 71) • Employee management (pages 68 to 72) • Occupational safety & health (pages 66 to 68) • Human rights & labour standard (page 70)

**CORPORATE SUSTAINABILITY STATEMENT
(CONT'D)**

Stakeholders	Purpose of Engagement	Engagement Methods & Frequency	Key Topics & Interests
 <p>Government (national and local), regulatory bodies and Industrial Associations</p>	<p>We ensure compliance with legal and government requirements, as well as uphold responsible business conduct. We foster and maintain strong relationships with national and local governments, regulators, and industry associations to communicate our intentions, understand their concerns and priorities, and collaborate on mutually beneficial solutions.</p>	<p>As when needed</p> <ul style="list-style-type: none"> • Association web portal • Company representation at industrial association initiatives • Multi-stakeholder collaborations and partnerships • Periodic seminars and forums • Presentation and submissions to government • Progress update meetings • Site visits 	<ul style="list-style-type: none"> • Good governance, ethics & conduct (pages 50 to 55) • Responsible environment management (pages 56 to 64) • Responsible raw material procurement & consumption (pages 57 to 58) • Contributions to the community (pages 76 to 78)
 <p>Local communities and non-governmental organisations (“NGO”)</p>	<p>Our business thrives in healthy, prosperous communities. We engage transparently with local stakeholders to address challenges, manage risks, create opportunities, and build lasting trust.</p>	<p>As when needed</p> <ul style="list-style-type: none"> • Ongoing dialogue meetings • Sponsorship and local community projects 	<ul style="list-style-type: none"> • Social investment programmes e.g. job opportunities, contributions to local causes (pages 71, 76 to 78)
 <p>Shareholders, investors and bankers</p>	<p>We engage with our shareholders and investors to provide valuable insights into the Company, enabling them to make informed investment decisions. Additionally, our collaboration with financial institutions grants us access to a broader range of financing options.</p>	<ul style="list-style-type: none"> • Meetings to structure schemes and negotiate financing proposals • Annual General Meeting (“AGM”) • Annual and quarterly reports • Circular to shareholders • Company announcements • Company website • Extraordinary General Meeting (“EGM”) <p>Frequency: Shareholder – Annually Investors – As when needed Bankers – Monthly</p>	<ul style="list-style-type: none"> • Capital requirement • Dividend proposal • Financial position and performance • Financial projection • Financing collaterals • Past financial results • Short-term and long-term strategies
 <p>Suppliers and sub-contractors</p>	<p>Our business strategy is underpinned by the critical goods and services delivered by our suppliers and contractors. We prioritise local sourcing and collaborate closely to strengthen their capabilities, while ensuring value and quality across our operations.</p>	<p>As when needed</p> <ul style="list-style-type: none"> • Request for tenders and procurements • Engagement via email or phone call • Follow-up meetings 	<ul style="list-style-type: none"> • Availability of construction materials and timely delivery • Managing raw material demand to support future construction works • Local supplier utilisation (page 76) • GHG emissions (pages 60 to 62) • Human rights & labour standards (page 70) • Occupational safety & health (pages 66 to 68)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

PRINCIPLES OF GOVERNANCE



2025 Highlights



Maintained **ZERO** reported incidents of corruption



100% of operations assessed for corruption-related risks



Maintained **ZERO** complaints concerning breaches of customer privacy and losses of customer data



Gender-inclusive Board with **33% female directors** and a range of professional expertise



Enhanced governance oversight through establishment of Sustainability Management Committee

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

We strive to strengthen our engagement with stakeholders by conducting business with integrity, upholding ethical standards, and adhering to good governance practices. This approach underpins corporate resilience, enhancing our ability to adapt and operate sustainably. We are committed to strategic foresight, structured risk management, and sound decision-making, ensuring that we meet stakeholder expectations while preserving and creating long-term value.

Priority Material Topic	Importance	Key Development in 2025
<ul style="list-style-type: none"> • Good Governance, Ethics & Conduct • Compliance 	<p>▶ Recognised as a top priority due to its broad impact on corporate reputation, financial stability, and regulatory compliance. Neglecting corruption and governance risks may result in legal consequences, financial penalties, and erosion of investor and public trust.</p>	<p>▶ Governance and integrity practices were further strengthened through enhanced oversight, updated policies, and continuous awareness initiatives, supporting regulatory compliance, ethical conduct, and effective risk management across the Group.</p>

STRENGTHENING BUSINESS ETHICS AND CONDUCT

Nextgreen is committed to upholding high standards of corporate governance and ethical business conduct to maintain the confidence of its stakeholders. We emphasise strong governance frameworks and accountability, while cultivating employees’ appreciation for sound business practices and their role in delivering sustainable and positive outcomes for society.

We have incorporated a Risk Committee at both Board and Management levels to enhance the Company’s risk management systems and practices. Additionally, management is responsible for upholding robust internal controls. Guided by our revised ERM Policy Framework, we identify, assess, monitor, and manage principal risks that may impact the Group’s objectives.

Our comprehensive policies and guidelines are designed to empower employees to consistently uphold the highest standards of professional conduct. Policies that are applied across the Group’s subsidiaries and approved by Nextgreen’s Board of Directors are listed below:

Business Ethics

<p>Code of Conduct & Ethics</p> <hr/> <p>Guides decision-making and ensures all business operations and interactions are carried out in an ethical and principled manner.</p> <div style="text-align: center; margin-top: 20px;"> <p>Scan QR Code to view the Code of Conduct & Ethics</p>  <p>https://www.nextgreenglobal.com/code-of-conduct-ethics/</p> </div>	<p>Anti-Bribery & Anti-Corruption Policy</p> <hr/> <p>Committed to eliminate and prevent all forms of corruption and bribery by providing clear guidelines on specific scenarios such as the exchange of gifts, conflicts of interest, and interactions with public officials.</p> <div style="text-align: center; margin-top: 20px;"> <p>Scan QR Code to view the Anti-Bribery & Anti-Corruption Policy</p>  <p>https://www.nextgreenglobal.com/anti-bribery-anti-corruption-policy/</p> </div>	<p>Whistleblowing Policy & Procedure</p> <hr/> <p>Established to give clear and well-defined procedures for stakeholders to report any policy violations, suspected misconduct, or breaches of laws and regulations.</p> <div style="text-align: center; margin-top: 20px;"> <p>Scan QR Code to view the Whistleblowing Policy & Procedure</p>  <p>https://www.nextgreenglobal.com/whistleblowing-policy-and-procedure/</p> </div>
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CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Board and Director Responsibilities

Director's Fit & Proper Policy

Essential criteria and standards required for individuals serving as directors to ensure that all board members possess the necessary integrity, competence, experience, and financial soundness to fulfil their fiduciary responsibilities effectively.

Scan QR Code to view the Director's Fit and Proper Policy



<https://www.nextgreenglobal.com/directors-fit-and-proper-policy/>

In line with our commitment to fostering a culture of good governance, the RGI Department conducted ERM framework and Adequate Procedures Workshops targeted at new employees. These sessions were aimed at empowering employees with the necessary tools to effectively identify, assess, and mitigate risks pertinent to their respective functions. This initiative underscores our dedication to strengthening risk management practices and promoting organisational resilience. Moving forward, the Group intends to progressively integrate climate-related risks and opportunities into the risk assessment process, in alignment with the ERM and evolving regulatory and sustainability expectations.

Anti-Bribery and Anti-Corruption

Nextgreen maintains a zero-tolerance policy towards bribery and corruption, as reflected in our ABAC Policy. In 2025, we reinforced our commitment through a structured ABAC refresher programme for all employees. This initiative supports a continuous improvement approach to the Corruption Risk Assessment ("CRA"), which has been conducted since 2022.

In 2025, the RGI Department conducted an Integrity Awareness Talk in conjunction with International Anti-Corruption Day, reinforcing the Group's commitment to fostering a transparent and ethical workplace culture among employees. This initiative reflects Nextgreen's ongoing commitment to integrity, transparency, and ethical conduct, which remain central to the organisation's culture.



Integrity Awareness Talk: "Act or Resign": Corrupt-Free Corporate Malaysia



The session, hosted by the RGI Department focused on corruption risks, corporate liability under the MACC Act 2009, and the importance of the T.R.U.S.T. Adequate Procedures framework. It also provided employees with practical guidance on recognising red flags, utilising reporting channels and maintaining personal accountability.

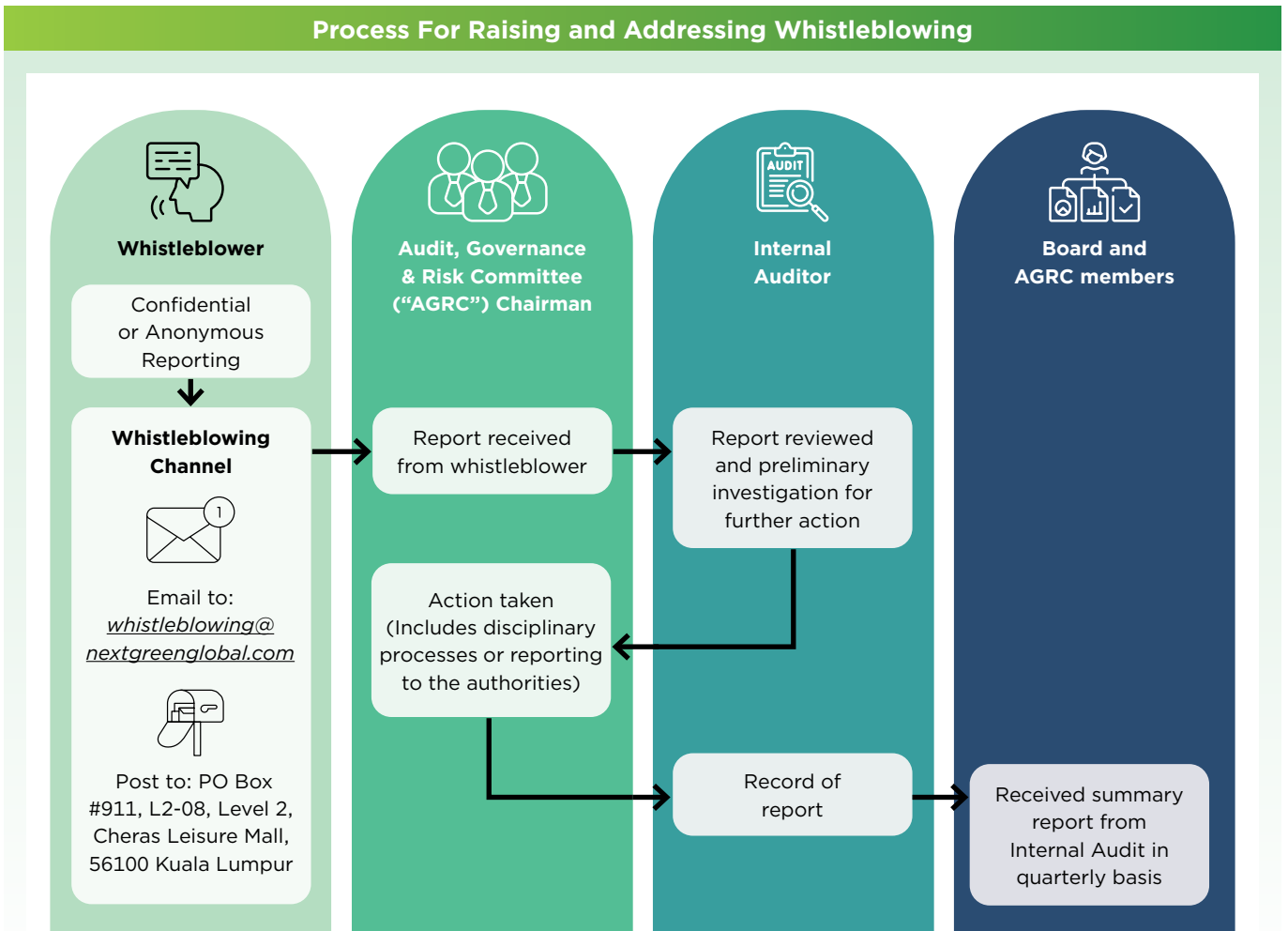
Year	Employee Category	2023	2024	2025
Percentage of employees who received anti-corruption training and awareness by employee category (%)	Management	100%	100%	71%
	Manager	100%	100%	100%
	Executive	67%	100%	97%
	Non-Executive	92%	12%	98%

Year	2023	2024	2025
Percentage of operations assessed for corruption-related risks at Group level (%)	0%	100%	100%
Number of confirmed incidents of corruption	0	0	0

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Whistleblowing Mechanism

We recognise the importance of empowering our stakeholders to actively uphold our ethical standards. To promote transparency and accountability, we have established a Whistleblowing Channel accessible to all internal and external stakeholders, providing a secure and confidential platform to raise concerns. The channel ensures anonymity and protection against retaliation, fostering a safe environment for reporting grievances.



OUR SUSTAINABILITY GOVERNANCE

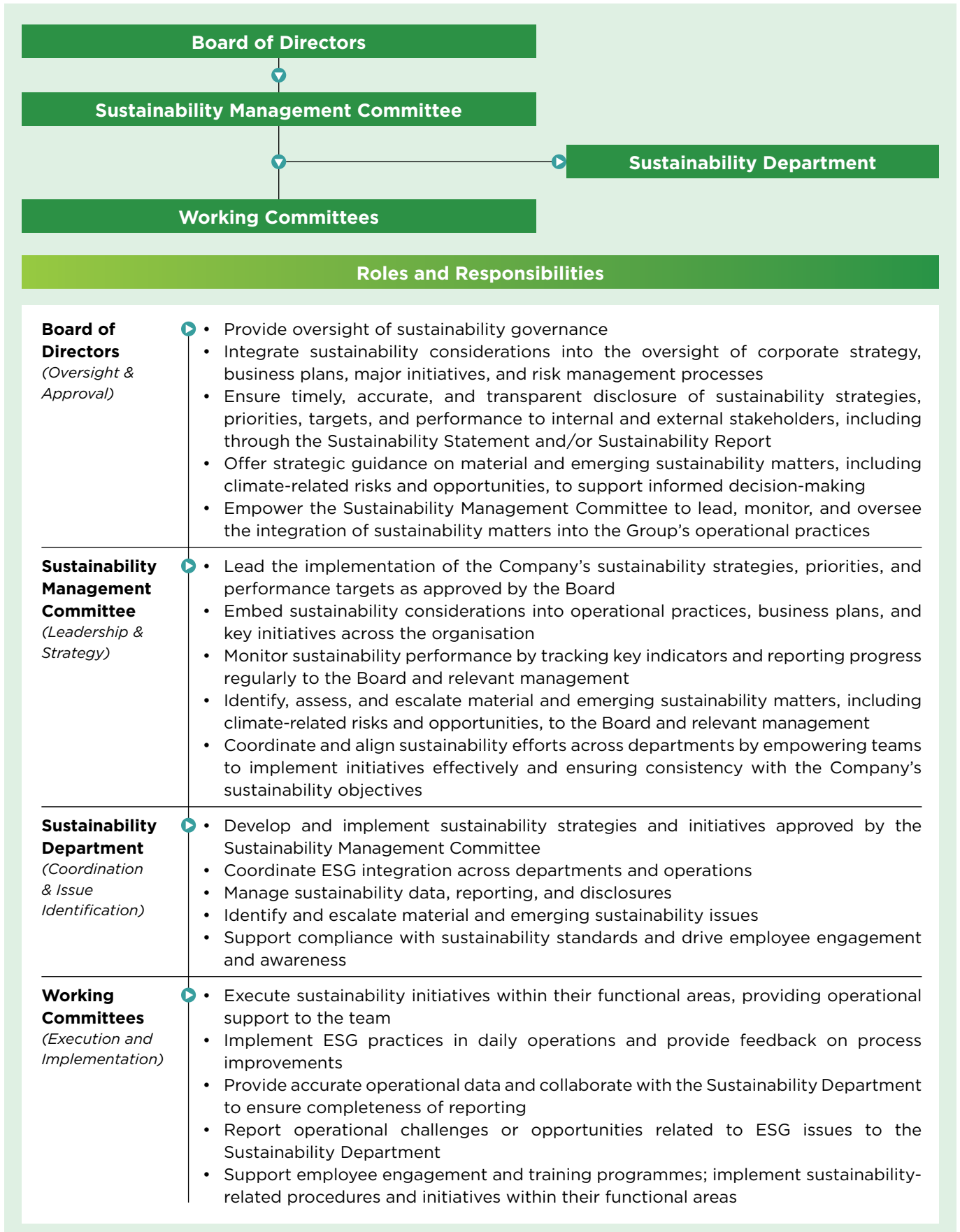
We are dedicated to maintaining strong sustainability governance frameworks that ensure accountability, transparency, and ethical conduct across all our operations. In 2025, we enhanced our sustainability governance structure to further strengthen Board oversight and improve cross-functional coordination across all subsidiaries and business divisions. This governance structure supports the Group’s sustainability objectives and reinforces commitment from leadership.

At the top of the structure is the Board of Directors, which oversees sustainability strategy and performance. The Sustainability Management Committee, reporting to the Board, provides guidance and monitors sustainability initiatives. In supporting the leadership team, the Sustainability Department works closely with Working Committees across all subsidiaries and business divisions. These committees are responsible for implementing and monitoring sustainability practices throughout the organisation, managing identified risks and opportunities, and driving sustainability initiatives in alignment with the Group’s objectives.

Together, this multi-tiered governance structure ensures that sustainability is deeply embedded in our operations, enabling the Group to achieve its goals while creating lasting value for all stakeholders.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Sustainability Governance Structure



CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

EMPOWERING OUR LEADERS ON SUSTAINABILITY

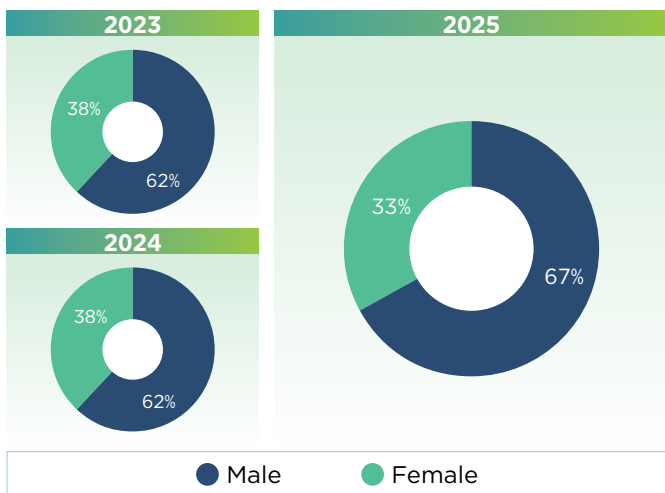
In addition, our Board of Directors, along with department heads, participates in targeted sustainability sessions to strengthen governance and align strategic decision-making with environmental, social, and governance (“ESG”) principles. These sessions enhance understanding of emerging sustainability trends, regulatory requirements, and best practices, ensuring sustainability remains central to our corporate strategy. Through these initiatives, our leadership reinforces the Group’s commitment to sustainability, long-term value creation, and stakeholder accountability, while positioning the organisation to navigate evolving global challenges and drive sustainable growth and innovation.



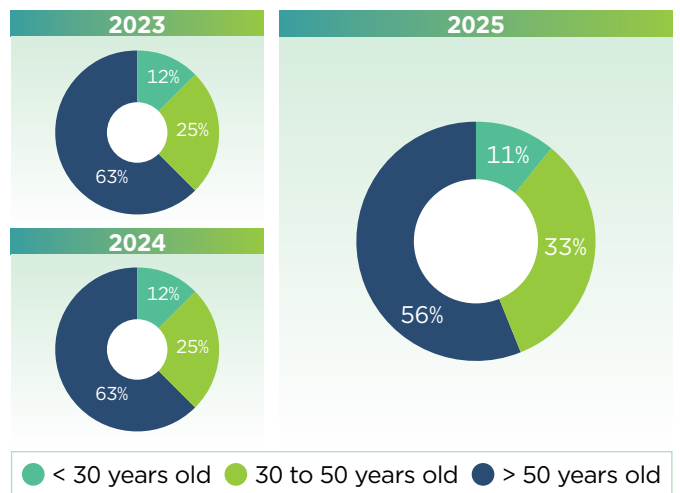
Diversity from the Top

Nextgreen strives to develop a diverse workforce and foster an environment that inspires our people to discover and nurture their talents. We work to ensure our people feel appreciated and are treated with respect, regardless of their age, race, gender, religion or their differing abilities.

Board Gender Diversity



Board Age Diversity



DATA PRIVACY AND PROTECTION

Nextgreen is committed to preserving the integrity of our stakeholder relationships and upholding the highest standards of data privacy and protection. We have implemented measures to safeguard personal data and ensure transparency, including a publicly accessible Privacy Statement detailing how data is used and protected. We continuously enhance our data protection practices to ensure compliance with the Personal Data Protection Act (“PDPA”). Moving forward, we plan to further strengthen our practices through the introduction of formal data protection guidelines. As a result, Nextgreen has received zero substantiated complaints regarding breaches or loss of customer data, demonstrating our commitment to safeguarding sensitive information and maintaining stakeholder trust.



Number of substantiated complaints concerning breaches of customer privacy and losses of customer data

2025: ZERO
2024: 0 | 2023: 0

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)



2025 Highlights



ZERO

substantiated environmental
non-compliance incidents



76% lower carbon footprint

vs. conventional wood-based pulp and paper



89%

of the energy sourced from
renewables energy



Achieved a **38%**

**reduction in absolute
Scope 1 and Scope 2**
greenhouse gas emissions



89%

of our recordable waste is
**diverted from
disposal**



Enhanced GHG

calculation and methodology



MSPo partnership

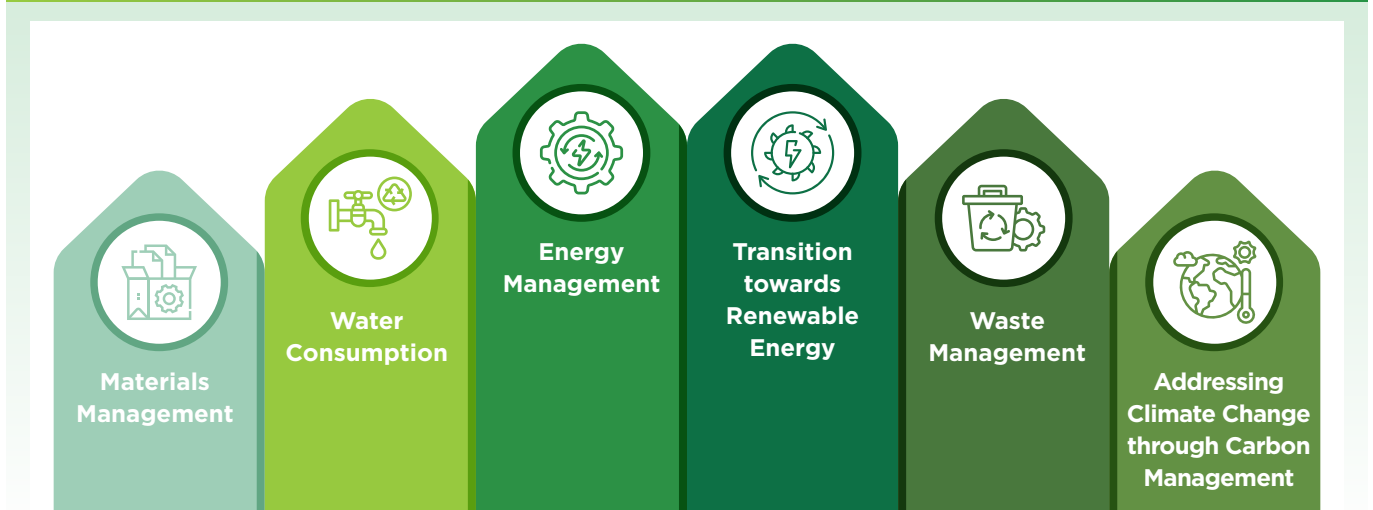
enhances Oil Palm Biomass
Chain of Custody credibility

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

At Nextgreen, we recognise that a thriving planet is fundamental to human well-being and the long-term success of our business. By integrating sustainability into our operations, we not only mitigate risks but also unlock opportunities for innovation. Our commitment goes beyond compliance, as we strive to be a responsible corporate citizen by minimising and eliminating potential negative impacts arising from our business activities on the environment and local communities.

Priority Material Topic	Importance	Key Development in 2025
Responsible Environmental Management	<ul style="list-style-type: none"> This material matter has been identified as a top priority, as we rely on various shared natural resources. As such, it is a fundamental component of our commitment to balancing operational excellence with environmental responsibility. 	<ul style="list-style-type: none"> We collaborated with local certification bodies to obtain assurance on the origin of our EFB, strengthening our commitment to responsible sourcing and aligning with evolving market expectations. Furthermore, we continue to explore initiatives that enhance circularity across our value chain, while monitoring and managing our operational impacts to the surrounding environment.

Our 6 Core Environmental Focus Areas



MANAGING OUR RESOURCE CONSUMPTION

In Nextgreen, we aim to implement strategic measures to optimise resource utilisation, enhance efficiency and minimise waste across our operations while ensuring sustainable and responsible consumption practices. As one of our important materiality topics, Nextgreen ensures the responsible stewardship and efficient utilisation of natural resources, including water, waste and energy, across our operations.

Materials Management

Nextgreen procures a diverse range of raw materials and resources, tailored to the varying business natures of our subsidiaries.

At the heart of our business lies a renewable and underutilised resource, EFB. We aspire to transform EFB into pulp, paper and biomaterial solutions that serve consumers worldwide. As demand for responsibly procured raw materials continues to grow, Nextgreen is committed to ensuring that our EFB is sustainably harvested and sourced from well-managed plantations. In 2025, we collaborated with credible certification bodies to provide assurance on the origin of our EFB, reinforcing our commitment to responsible sourcing.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)



Key development in 2025: Embarking on Biomass Certification

Certification provides critical assurance to our value chain partners that our products are sourced sustainably, while enhancing access to international markets. In 2025, Nextgreen entered into a partnership with the Malaysian Sustainable Palm Oil (“MSPO”) certification body to strengthen the credibility of the MSPO Chain of Custody for Oil Palm Biomass (MS 2751:2022). By supporting responsible sourcing, this initiative reinforces local sustainability certifications and aligns with global efforts to promote sustainable biomass, highlighting the role of strategic collaboration in driving positive change within the oil palm biomass sector.

Commentary by Mr Tan Chee Yong, Director of the GHG & Biomass Unit, MSPO



As the Director of the GHG & Biomass Unit at MSPO, my work focuses on strengthening Malaysia’s sustainability ecosystem through credible certification, biomass traceability, and GHG reporting. Our partnership with Nextgreen is timely and strategic, as NGGB continues to pioneer green-technology solutions and circular-economy models through its Green Technology Park. The MoU reinforces our shared aspiration to elevate the value of palm-based biomass, particularly biomass sourced from MSPO-certified areas and facilities under the MS 2530:2022 standard, and to extend

full traceability through the MSPO Chain of Custody for Oil Palm Biomass (MS 2751:2022).

Through this collaboration, MSPO will provide technical briefings and supply chain studies, while NGGB plays a central role in mapping biomass flows, validating traceability pathways, and integrating low-carbon technologies and materials into its operations. This joint effort supports NGGB’s pursuit of MS 2751:2022 certification and strengthens the credibility of its upstream and downstream partners in meeting emerging sustainability requirements.

I am confident that this partnership will unlock new opportunities for low-carbon innovation, zero-waste industrial models, and stronger market access for MSPO-certified biomass products. Looking forward, NGGB can be a significant long-term partner in advancing research, community-impact initiatives, and broader sustainability collaborations for Malaysia’s biomass sector.



We place a high priority on the quality of EFB sourced across our operations. At NGPP, all EFB undergo thorough sorting by our Quality Control team and are allocated in accordance with stringent specifications. High-quality EFB is designated for pulp and paper production, while unutilised EFB that does not meet these standards is redirected for use in energy generation and fertiliser manufacturing.

By utilising EFB, a by-product of oil palm mills, we provide an environmentally sustainable solution for the oil palm industry, in line with our commitment to responsible and sustainable practices.

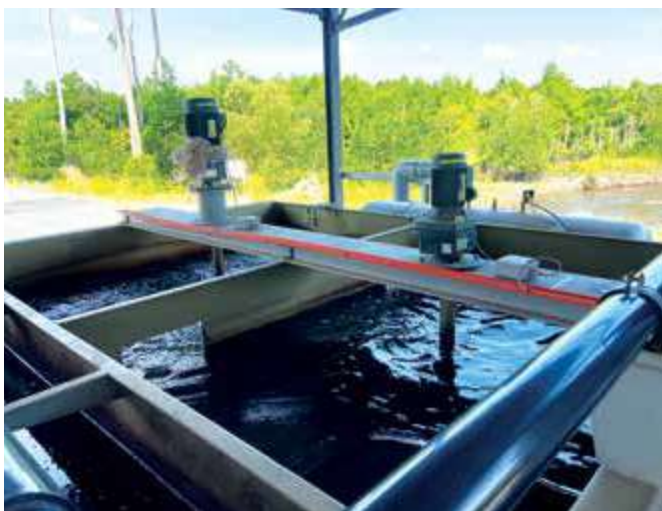
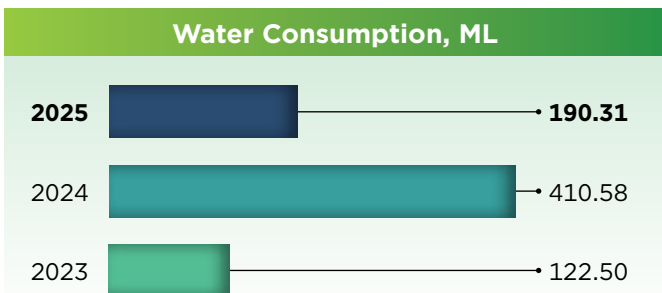


CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Water Consumption

Water remains a vital resource, essential to sustaining life, ecosystems and economic development, and is a critical input in Nextgreen's operations. Clean water in significant volumes is fundamental to NGPP production process. We are committed to optimising the reuse of treated water and closely monitoring both the quality and quantity of water consumed across our operations. As part of our commitment to environmental management, NGPP have maintained certification under the ISO 14001:2015 Environmental Management Systems standard. As such, we ensure adherence to water and wastewater regulations to not only prevent fines, penalties and operation disruptions, but also reduce the occurrence of potential equipment damage.

In 2025, the NGPP plant recorded total water consumption of 190.31 ML, reflecting a significant reduction of 54% compared to the previous year. However, this reduction was primarily due to a metering issue, where an on-site meter supplying certain operational processes did not capture data accurately, resulting in incomplete records. The issue has since been identified and rectified, and more reliable and comprehensive data is expected to be available from 2026 onwards. In parallel, the plant continues to advance water efficiency initiatives, including recycling water for low-risk processes, as part of its commitment to responsible water stewardship.

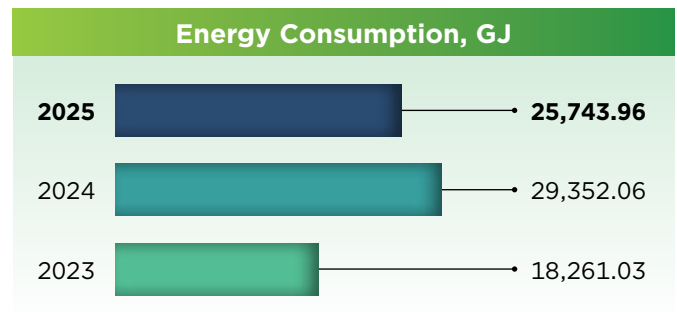


Energy Management

Energy is a critical input across Nextgreen's operations, particularly at NGPP, where it supports key processes such as pulping, drying, and other manufacturing stages. We continue to implement initiatives aimed at reducing overall energy consumption, enhancing energy generation efficiency and driving continuous operational improvements.

We monitor total energy consumption and renewable energy utilisation on a year-on-year basis to track performance and inform improvement efforts. Through the implementation of targeted energy efficiency programmes, we aim to progressively improve energy intensity across our operations.

In 2025, Nextgreen recorded a total energy consumption of 25,743.96 GJ across all subsidiaries, representing a 12% reduction compared to the previous year, due to process optimization and proper operational planning. In addition, our operations are supported by solar energy, which enhances operational resilience and contributes to a more diversified and sustainable energy mix.



Note: Our biomass power generator supplied 172,477.52 GJ in 2025, which is disclosed separately and not included in the figures above.



CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Transition towards Renewable Energy

In tandem with efforts to reduce energy consumption, Nextgreen adopts a forward-looking strategy by investing in renewable energy to generate clean, reliable and sustainable power to reduce dependency on conventional sources. In NGPP, to reduce our reliance to the grid, we installed solar PV across our operating plant to support energy production. Furthermore, we have installed Electric Vehicle charging stations which are powered by rooftop solar panels within GTP, thus reinforcing our commitment to renewable energy. By utilising energy from our solar power, we reduce our dependency on conventional energy grids, lower operational costs, and minimise our carbon footprint. In 2025, we utilised approximately 3,984.19 GJ of solar energy at our plant, representing a decrease of 25% compared to the previous year. This reduction was partly due to disruptions in solar power supply in 2025. This approach supports Nextgreen's broader environmental and business goals, ensuring the long-term sustainability of our operations while contributing to the global transition to cleaner energy. Including biomass energy consumption of 172,477.52 GJ, renewable sources (solar and biomass) accounted for approximately 89% of our total energy usage.

Renewable Energy, GJ

Year	2024	2025
Renewable Energy (Solar PV)	5,298.73	3,984.19

Notes:

Data on renewable and non-renewable energy have been available from 2024 onwards.

Our biomass power generator supplied 172,477.52 GJ in 2025, which is disclosed separately and not included in the figures above.



In 2025, the plant utilised 3,984.19 GJ of solar power to support its operations, representing approximately **89%** of the energy sourced from renewables (solar and biomass)



Waste Management

We are steadfast in our commitment to responsible waste management, focused on minimising environmental impact and maximising resource efficiency. We have adopted a circular approach by repurposing white waste paper from our printing division and by-products of paper production, ensuring efficient resource utilisation and significantly reducing waste. These initiatives underscore our ongoing commitment to sustainable resource management and environmental stewardship.

Furthermore, Nextgreen also started incorporating our EFB paper into our internal business operations, strengthening our commitment to sustainability. In 2025, Nextgreen has diverted around 89% of recordable waste from disposal.

Waste Generated, tonnes

Year	2024	2025
Waste Directed to Disposal	32.48	39.37
Waste Diverted from Disposal	492.50	328.50
Total Waste	524.98	370.02*
Percentage of Waste Diverted from Disposal	94%	89%

Notes:

Data on total waste management have been available from 2024 onwards.

* A total of 2.15 MT of scheduled waste remained on-site at the end of the reporting period and was therefore not recorded as disposed. The waste remains accounted for in total waste generated but has not been diverted to, or processed through, any disposal or recovery pathways pending collection by a licensed contractor.

Addressing climate change

In addressing climate change, we recognise the environmental risks and impacts of our operations. We monitor our GHG emissions while fostering innovation that promotes a circular economy, helping to reduce waste. This approach underscores our commitment to sustainable practices and long-term environmental stewardship.

Monitoring Carbon Emissions

GHG emissions reporting was initiated in 2024 covering Scope 1, Scope 2 and selected Scope 3 categories (Employee Commuting, Business Travel, and Waste Generated in Operations) across the Group. In 2025, the organisational boundary was refined to include NGF, while BHS Book Printing was excluded. Alongside

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

these boundary updates, we continued to enhance our GHG data collection processes and calculation methodologies to improve data accuracy, consistency, and overall reporting quality.

Based on a preliminary Scope 3 screening conducted in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Nextgreen has identified Categories 1 to 13 as applicable to its business operations, of which Categories 5 (Waste Generated in Operations), 6 (Business Travel) and 7 (Employee Commuting) are currently quantified and disclosed in this report, while the remaining applicable categories are subject to ongoing data collection and

methodological development and will be progressively disclosed in future reporting cycles.¹ Categories 14 (Franchises) and 15 (Investments) are assessed as not applicable due to the absence of franchising and investment activities within the Group's business model.

Note:

¹ Applicable but not yet disclosed Scope 3 categories include: Category 1 (Purchased Goods and Services), Category 2 (Capital Goods), Category 3 (Fuel and Energy-Related Activities), Category 4 (Upstream Transportation and Distribution), Category 8 (Upstream Leased Assets), Category 9 (Downstream Transportation and Distribution), Category 10 (Processing of Sold Products), Category 11 (Use of sold products), Category 12 (End-of-Life Treatment of Sold Products) and Category 13 (Downstream Leased Assets)

GHG Emissions (CO₂eq Emissions (tonnes))

Year		2024	2025
Scope 1			
Stationary Combustion ¹	Boiler	1,954.10	55.61
Mobile Combustion ²	Company Owned Fleet Vehicles	123.59	165.33
Fugitive Emissions ³	Fire Extinguisher	0.04	0.01
	Air Conditioning and Refrigerant Units	20.92	0.00
Total		2,098.65	220.95
Scope 2			
Purchased Energy ⁴	Electricity	4,485.70	3,805.31
Total		4,485.70	3,805.31
Scope 3			
Value Chain Emission Upstream	Business Travel ⁵	18.50	9.49
	Waste Generated in Operations ⁶	25.93	27.35
	Employee Commuting ⁷	136.96	296.78
Total Scope 3		181.39	333.62
Total Scope 1 + 2		6,584.35	4,026.26
Total Scope 1 + 2 + 3		6,765.74	4,359.88

Notes:

¹ 2025 data covers only for NGPP.

² 2025 data covers all the reporting entities.

³ 2025 data cover all reporting entities, based on the assumption of a 1:1 allocation. Values are calculated using the most complete and available data at the time of reporting.

⁴ 2025 data covers all the reporting entities. Nextgreen utilises the location-based method for calculating its Scope 2 emissions, with electricity sourced from Tenaga Nasional Berhad. Carbon emissions associated with purchased Electricity are determined using emission factors obtained from Suruhanjaya Tenaga Malaysia, specifically the Grid Emission Factor (GEF) for the years 2017- 2022 (Publication 25.11.24).

⁵ 2025 data covers only Ultimate Ivory, as records for other entities are unavailable or could not be tracked.

⁶ 2025 data were obtained from NGPP, based on the assumption that all other entities utilised the same facility for waste management.

⁷ 2025 data covers all the reporting entities.

Emission factors used in this accounting is sourced from Department for Environment, Food & Rural Affairs (DEFRA) UK 2025 operational approach for organisational Boundary.

Historical data are not restated. Any methodological improvements or data quality enhancements are applied prospectively from the current reporting year onwards, unless a significant change warrants the revision of previously reported figure.

Data collection is using operational approach for organisational boundary and data for total energy consumption have been available from 2024 onwards.

The figures disclosed above does not include biogenic emission: 11,518 tCO₂eq.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Monitoring our Product's Carbon Footprint - Cradle-to-gate

Our pulp products record a carbon footprint of 2.421 kg CO₂eq per kg of pulp under a cradle-to-gate assessment, representing emissions generated up to the factory gate. Under a cradle-to-grave assessment, which includes the use phase and end-of-life disposal, the product carbon footprint is 4.508 kg CO₂eq per kg of pulp.

In addition, our paper products have a carbon footprint of 1.846 kg CO₂eq per kg of product, which is approximately 76% lower than conventional wood-based pulp and paper. This has been independently verified by SIRIM Berhad. This significant reduction reflects the effectiveness of Nextgreen's innovation-driven approach, leveraging EFB biomass as a sustainable raw material alongside energy-efficient production processes. The results underscore our commitment to environmental stewardship and low-carbon manufacturing.

“

Our paper products have a carbon footprint of **1.846 kg CO₂eq per kg of product, which is approximately 76% lower than conventional wood-based pulp and paper**

”

Our Biomass-to-Resource Journey

As part of our ongoing transition toward circular economy, Nextgreen is steadfast in our commitment to transforming the biomass sector through innovation to improve sustainability and resource efficiency. Staying true to our commitment to the bio-integrated zero-waste concept, we are proud to announce the launch of our new subsidiary, NGF, focusing on the production of NexBooster™ and NexCompost® in 2025. By utilising black liquor, a by-product of pulp and paper production, alongside unutilised EFB for the pulp and paper production, NGF further reinforces our efforts toward sustainable resource management which underscores our commitment to developing innovative, sustainable solutions. Additional details about NGF's development can be found in our R&D annual report.

Our Research and Development progress in 2025



Pulp and Paper

▶ Sustainable paper production from EFB-OPF blends

Oil palm frond (“OPF”) fibres, a sustainable agricultural by-product rich in cellulose and hemicellulose, were explored as a potential raw material for pulp production. By utilising EFB and OPF fibres, we contribute to diverting agricultural biomass waste from landfill, thereby reducing methane emissions from biomass decomposition and strengthening circular resource utilisation.

In 2025, our R&D Department further explored sustainable pulp and paper initiatives through the development of paper derived from optimised EFB-OPF blends. Paper quality assessments were conducted to determine the most suitable blend for commercial viability.

▶ Biodegradation test of EFB-packaging

Our R&D team conducted biodegradation testing on EFB-based biomass packaging to evaluate its environmental performance, benchmarking its biodegradability against conventional commercial food packaging to ensure compliance with environmental responsibility standards and minimise ecological impact.



Biofertiliser Products

▶ Field Trial Application

NGF advanced its Biofertiliser product development through field trials across oil palm, flowering plants, paddy, and coffee. The results demonstrated that repurposed black liquor functions as an effective supplementary fertiliser that enhances plant growth, reinforcing our circular economy approach by converting industrial by-products into value-added agricultural inputs.

▶ Preliminary Study of EFB-Sludge Compost

Preliminary study was conducted on EFB-sludge compost as part of our ongoing efforts to optimise by-product utilisation across our manufacturing sites. The study assessed the feasibility, safety, and effectiveness of incorporating sludge into compost production, ensuring its suitability for plant health and environmental protection while enhancing soil quality.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Research and Development (R&D) forms the backbone of Nextgreen's innovation and long-term growth strategy. It drives the continuous enhancement of our technologies, enabling us to improve operational efficiency, develop sustainable solutions, and strengthen our contribution to the circular economy.

In line with our commitment to transparency and knowledge sharing, Nextgreen has begun publishing dedicated reports highlighting its R&D initiatives and progress. These reports showcase the various innovations and improvements undertaken to optimise resource utilisation, minimise waste, and advance circular economy practices across our operations.

For more detailed information on our R&D efforts and sustainability initiatives, kindly refer to Nextgreen's R&D 2025 Annual Report.

Scan QR Code to view the R&D 2025 Annual Report



As part of advancing our circularity journey, Nextgreen will broaden the Group's agro-industrial portfolio by expanding into the animal feed segment. Nextgreen Agrofeed Sdn Bhd is currently undertaking the groundwork for a facility with an annual production capacity of 10,000 tonnes. Our plantation biomass-derived feed formulation is expected to deliver high nutritional value, characterised by higher crude protein content, reduced crude fibre content, and good palatability.

Commentary from Dr Inke van der Sluijs, Director Market Transformation, RSPO



In November 2025, RSPO held its annual conference in Kuala Lumpur. With the theme of "Building the Next 20: Sustainability in Action", the conference created significant opportunities to advance our global partnership to make palm oil sustainable.

In the panel session, "From Waste to Wealth: Unlocking the Potential of the Circular Economy", Dr Tengku Arisyah shared Nextgreen's 20-year journey to develop sustainable pulp and paper products from palm residues while generating by-products that can be used as fertilisers. She noted that converting EFB into usable material has

reduced production costs by up to 30% and opened new market opportunities in sustainable packaging.

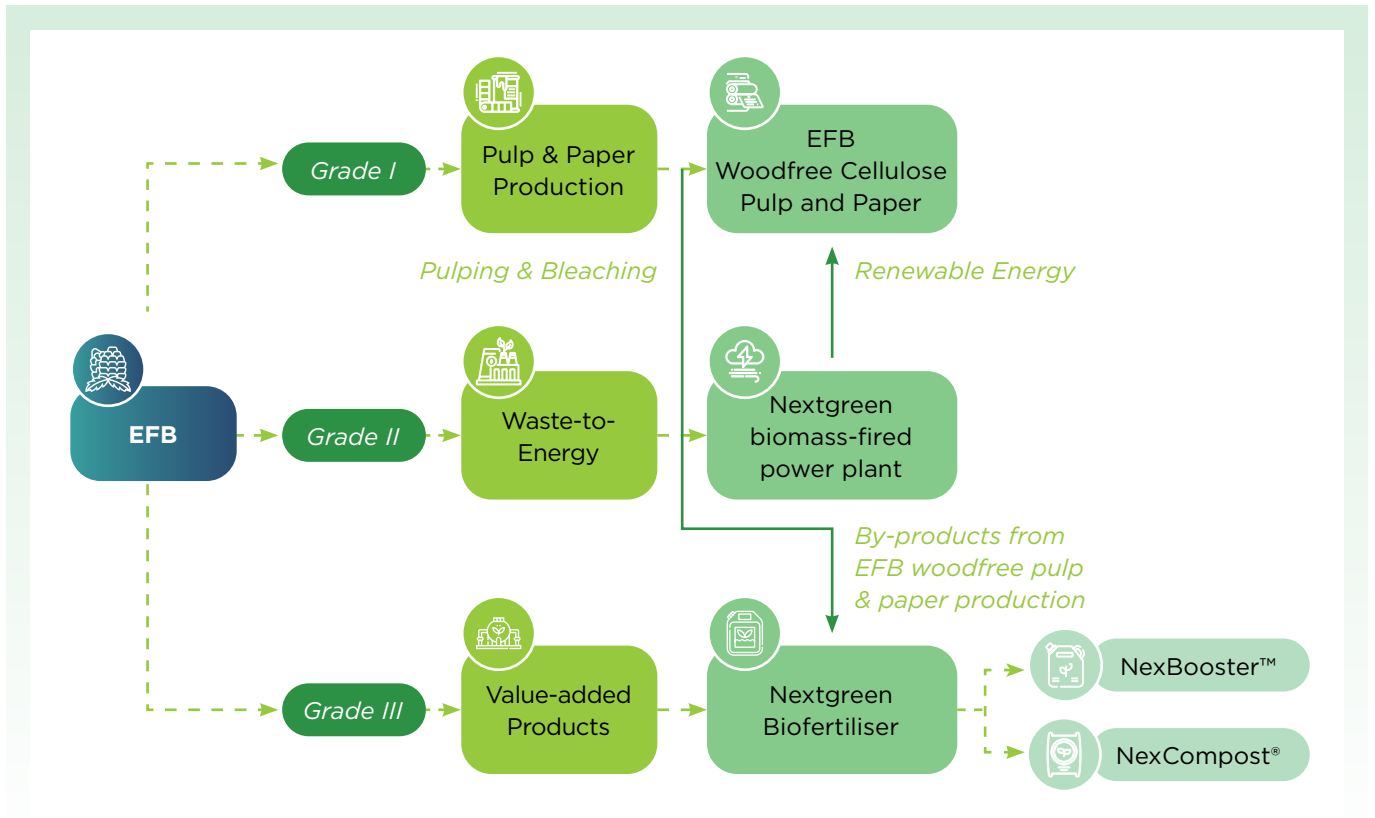
The panel showcased circularity examples to demonstrate strong potential to reduce costs, open new markets, and support sustainable livelihoods. Speakers stressed the need for balance, noting that removing too much biomass can undermine soil health.

Despite challenges including limited feedstock, fragmented supply chains, and policy gaps, the sector has significant opportunity to scale. Palm-based circular systems can create diversified value chains that benefit smallholders, industry, and the environment, ultimately holding great potential to address food security, alleviate poverty and improve livelihoods. RSPO is looking forward to further exploring the opportunities for a circular palm sector with Nextgreen.



**CORPORATE SUSTAINABILITY STATEMENT
(CONT'D)**

Our Biomass-to-Value Creation



Note:
Above figures are based on approximate estimation.



**OUR PRODUCTS
Through Circular Economy**

CORPORATE SUSTAINABILITY STATEMENT
(CONT'D)



PEOPLE

2025 Highlights



Uphold a
ZERO-fatality
record



103 site employees
received health & safety trainings



33% employment opportunities to indigenous communities & persons with disabilities



5,031 employee training hours
achieved in technical, soft skills and core trainings



Established Social & Human Rights Policy
for NGPP



37% of female leadership
in managerial position (manager and above)

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

The United Nations 2030 Agenda for Sustainable Development places people at the centre of global efforts, with a strong emphasis on ending poverty and hunger in all their forms, and enabling all individuals to realise their potential in dignity, equality, and a healthy environment. Guided by these principles, Nextgreen fosters a culture that upholds human rights, respects diverse perspectives, and values the contributions of our people, the communities in which we operate, our supply chains, and those affected by our activities.

We recognise that a diverse, skilled, and engaged workforce enhances our competitiveness and long-term resilience. By understanding the needs of our employees, we are committed to supporting their well-being through continuous development opportunities and by providing a safe and healthy working environment.

Priority Material Topic	Importance	Key Development in 2025
Occupational Safety & Health	<p>▶ This material matter has been identified as a top priority due to its far-reaching implications on the Company, including potential impacts on lost working hours, employee trust and motivation, and legal costs. Occupational Safety & Health plays a crucial role in minimising workplace hazards, ensuring business continuity, and fostering a culture of responsibility and care.</p>	<p>▶ We continuously strengthen our health and safety systems and hazard identification processes while actively engaging employees in health and safety awareness initiatives.</p> <p>We require all on-site employees to strictly adhere to safety protocols at their workstations and to maintain a high level of situational awareness throughout operations.</p>

ENSURING A HEALTHY AND SAFE WORKPLACE

At Nextgreen, workplace safety is paramount and deeply ingrained in our core values. We provide our employees with the necessary tools, equipment, knowledge and training to foster a “Zero Incidents” culture. Our ultimate aim is to achieve zero incidents on-site, and compliance with legal requirements while placing a strong emphasis on the physical and mental well-being of our employees. This dedication is reflected in our Occupational Safety, Health & Environmental (“OSHE”) Policy. This policy forms the framework for ensuring compliance with statutory and regulatory requirements, promoting a safe and healthy working environment and foster a zero-incidents culture. This policy extends to cover all key stakeholders, including employees, contractors, and vendors, guided by our robust health and safety procedures.

Key regulations relevant to Occupational Health and Safety

- Occupational Safety and Health Act 1994 (Amendment 2022)
- Environmental Quality Act 1974 (Amendment 2024)
- Fire Services (BOMBA) Act 1988

“We conduct annual evaluations to ensure that we comply to these regulations”

Our Health and Safety Performance

NGPP has consistently maintained a zero-fatality record at its plant operations. However, our manufacturing division recorded four (4) work-related injuries on-site, resulting in a Lost Time Incident Rate (“LTIR”) of 2.2 in 2025. Our on-site Safety, Health and Environment (“SHE”) Department closely monitors all reported incidents and has taken proactive and timely actions to address identified safety concerns. Following these incidents, safety measures were strengthened through greater coverage of safety briefings, more frequent workstation inspections to identify potential hazards, and visible placement of safety signage in high-risk and hazardous areas. These initiatives showcase our ongoing effort to enhance worker safety and minimise workplace risks and hazards, as well as create secure and safe working conditions.

Health & Safety

Year	2023	2024	2025
Lost Time Incident Rate, LTIR	1.9	0.6	2.2
Number of Work-Related Fatalities	0	0	0

Note:

LTIR is calculated according to the methodology indicated in Bursa Sustainability Reporting Guide 3rd Edition, applying the standardised formula: Number of lost time injuries in the reporting period/Total number of hours worked in the reporting period x 200,000.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

As an additional preventive measure, all employees are reminded to adhere to established safety procedures and work instructions, maintain situational awareness, and report any potential unsafe conditions on-site to prevent recurrence. We commit to ensuring that all root causes leading to any accidents, incidents and non-conformity are identified, investigated and swiftly corrected to ensure a safe working environment for all.

Our Health and Safety Policies and Procedures

We are committed to safeguarding the safety, health and well-being of all employees and individuals in our workplace. We anticipate all our employees, contractors and suppliers working at our operations to fully observe and support these efforts.

Nextgreen's OSHE Policy Objectives

- Complying with legislation, standards and requirements pertaining to OSHE
- Reinforcing personnel competence and awareness through training and development for OSHE culture and sustainability
- Striving to achieve zero incidents or loss time injury ("LTI") through the implementation of safe work practices
- Emphasising OSHE in all aspects of the operation
- Ensuring that all employees are accountable to their OSHE responsibilities

This policy is comprehensively communicated in our safety handbook which is available in dual language, both English and Bahasa Malaysia and is provided to our employees and workers, to which they are required to read and acknowledge.

At the operational level, we implement Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") procedures and Job Hazard Analysis ("JHA") to ensure a safety-first culture on site. These control measures are monitored closely by site safety personnel through training, supervision and regular reporting. We trust that a continuous risk assessment process is crucial in eliminating all potential hazards that could lead to accidents and illnesses.

JHA

A systematic approach used to identify and assess potential hazards associated with specific job tasks before they occur. It examines the interaction between workers, tasks, equipment and the work environment. Following hazard identification, appropriate control measures are implemented to eliminate or minimise risks, supporting a safer and healthier workplace.



First Aid Training

HIRARC

An integrated tool used to systematically identify, assess, evaluate and control hazards and risks across workplace activities. The process includes the identification of hazards, quantitative assessment of risks, and the implementation of appropriate control measures, including personal protective equipment ("PPE"), to mitigate unacceptable safety and health risks. The effectiveness of the HIRARC process is reviewed annually to ensure continuous improvement in workplace safety and health management.

Our SHE Department conducts frequent safety briefing to the workers on site pertaining emergency evacuation procedures, reporting accidents and incident procedures on site, managing hazards on site: such as chemical or machineries. Safety Alerts are placed around the site, to remind and alert site workers to take precautionary measures when dealing with machineries and other site hazards. We provide our workers with appropriate PPE when operating in areas that require heightened safety precautions. This includes safety helmets, goggles, ear plugs, protective masks, gloves and safety shoes to ensure their protection and well-being while performing their duties.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Safety, Health and Environmental Committee

In line with the Policy, the Safety, Health & Environment Committee (“SHEC”) shall ensure all objectives, targets and programme of NGPP are established based on environmental and hazard evaluations, and legal compliance. Our SHEC is composed of a chairman, secretary, employer representatives and employee representatives.

The committee is tasked with:

- Developing safety and health rules and safe work systems
- Reviewing the effectiveness of safety and health programmes
- Examining accidents, injuries, near misses, dangerous occurrences and other occupational hazards on-site
- Periodically reviewing safety and health policies

To further strengthen our system, the committee meets every quarter to review policies, procedures and reporting processes, as well as to discuss potential and actual incidents in identifying mitigation plans and actions. We ensure the effectiveness of our safety and health management systems by conducting regular audits and reviews on current workflows.

Regular training and safety briefings are conducted for both employees and visitors to ensure reinforced awareness and maintain strict observance of safety procedures and protocols within our manufacturing site. These efforts comply with the Occupational Safety and Health Act 1994 (OSH Act 514) and the Safety, Health, and Environmental Committee Regulation 1996. In 2025, a total of 103 on-site employees received training on various occupational health and safety topics, amounting to 104 total training hours across the NGPP operations.

Health & Safety Programmes in NGPP	2023	2024	2025
Number of employee trained	286	114	103
Number of hours trained on health and safety programmes	33	98	104

The SHEC organised the following awareness and training to enhance the awareness of all employees on site regarding health and safety matters in 2025.

- 1 Basic First Aid & Cardiopulmonary resuscitation
- 2 HIRARC Training
- 3 Permit to Work & Job Hazard Analysis Training
- 4 Occupational Safety & Health Coordinator Training
- 5 Safety, Health and Environmental Management System & Health Awareness Programme
- 6 Health Awareness Programme: Ergonomics Awareness Training

ESTABLISHING A WORKPLACE CULTURE

We continue to engage with our people to create high performing work culture, open lines of communication, suitable employee welfare and continuous learning, in building a motivated and fulfilled workforce.

Engaging our Workforce

At Nextgreen, creating a sense of belonging is core to our values. We remain steadfast in our commitment to cultivate a culture where our employees feel included and empowered to do their best work. Throughout the year, we have cherished and celebrated our employees through various programmes.



**CORPORATE SUSTAINABILITY STATEMENT
(CONT'D)**



Festive and Birthday Celebration

At Nextgreen, we take pride in celebrating our team and fostering a people-first culture.

Celebrating moments of connection remind us of the importance of appreciating each team member's contributions. By creating an inclusive and supportive workplace, we aim to ensure everyone feels valued as we work together toward our shared vision.

Quarterly Birthday Celebrations



Q1 Birthday Celebration



Q2 Birthday Celebration



Q3 Birthday Celebration



Q4 Birthday Celebration

Cultural Festivities



Malaysia Day Celebration



Christmas Celebration



Hari Raya Celebration at GTP

Appreciation Dinner



CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

ESG Awareness: UN International Day Observation

Nextgreen focuses on cultivating a green mindset among our employees. To reinforce this, we observed key United Nations international days to ensure our workforce remains consistently engaged with sustainability-related topics. In 2025, we observed the following UN international days:



International Mother Earth Day



World Environment Day

Team Building Activities



"Durian Makan" Session



Nextgreen Bowling Games

Labour Practices & Standards

Nextgreen foster a workplace grounded in fairness, respect and human rights. We strictly prohibit modern slavery, child labour, forced labour, harassment and human trafficking across our Group and subsidiaries. In 2025, we are proud to have recorded zero complaints on human rights violations and labour-related non-compliance.



Number of substantiated complaints concerning human rights violation

2025: ZERO

2024: 0 | 2023: 0

Fostering a culture of respect is a top priority for us. We are committed to fair employment practices that prioritise the creation of a healthy, safe and happy working environment for all our employees. Our Employee Handbook outlines key policies that reflect our commitment to fair employment and the protection of human rights.

Policy Segments on Human & Labour Rights



Equal Employment Opportunity



Workplace Harassment and Violence Prevention Policy

Key Developments in 2025

NGPP established a Social & Human Rights Policy aimed at upholding and respecting internationally recognised human rights, further committing to the prohibition of child and forced labour, and the protection of workers' rights to freedom of association and collective bargaining. Transparent grievance mechanisms provide a safe channel for employees to voice concerns and ensuring timely resolution and promoting a positive working environment.

MANAGING OUR PEOPLE

Our Workforce

We firmly believe that our people are the cornerstone of the company, and we value their contribution to the company and our growth. Nextgreen strives to develop a diverse workforce and foster an environment that inspires our people to discover and nurture their talents. As of 2025, our workforce comprises a total of 212 employees, representing a diverse range of roles and functions across our operations. Each member of our workforce is a vital part of our collective journey towards sustainability and success.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Employee Gender Diversity

Employee Category	Gender	2023	2024	2025
Management	Male	29%	40%	57%
	Female	71%	60%	43%
Manager	Male	85%	62%	65%
	Female	15%	38%	35%
Executive	Male	33%	39%	42%
	Female	67%	61%	58%
Non-Executive	Male	88%	90%	88%
	Female	12%	10%	12%

Employee Age Diversity

Year		2023	2024	2025
Management	< 30 years old	14%	20%	14%
	30 to 50 years old	57%	40%	43%
	> 50 years old	29%	40%	43%
Manager	< 30 years old	0%	0%	0%
	30 to 50 years old	38%	54%	70%
	> 50 years old	62%	46%	30%
Executive	< 30 years old	15%	48%	48%
	30 to 50 years old	85%	52%	52%
	> 50 years old	0%	0%	0
Non-Executive	< 30 years old	75%	69%	72%
	30 to 50 years old	22%	26%	24%
	> 50 years old	3%	5%	4%

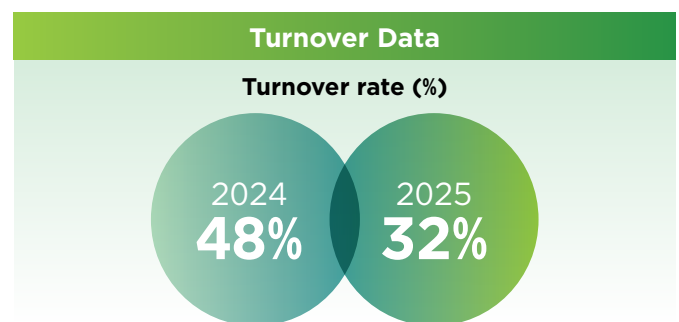
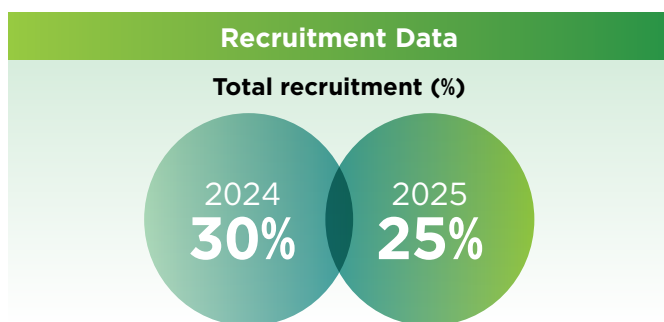
Note:

Percentage of employees who are contractors or temporary staff: 0% in 2023, 8% in 2024, and 7% in 2025.

In 2025, **33%** of employment opportunities has been provided to indigenous communities & persons with disabilities

Note:

Percentage is calculated based on total recruitment in 2025 divided by the average headcount for 2025, derived as (opening headcount + closing headcount)/2.



Notes:

Recruitment data calculated based on $\text{Recruitment (\%)} = \frac{\text{total employee recruit}}{\text{closing headcount}} \times 100$.

Turnover rate calculated based on $\text{Turnover Rate (\%)} = \frac{\text{total employee left}}{\text{closing headcount}} \times 100$.

Data on employee recruitment and turnover have been available from 2024 onwards.

In 2024, workforce turnover consisted of 0 Management, 3 Managers, 12 Executives, and 87 Non-Executives, while in 2025 it consisted of 1 Management, 11 Managers, 18 Executives, and 37 Non-Executives.

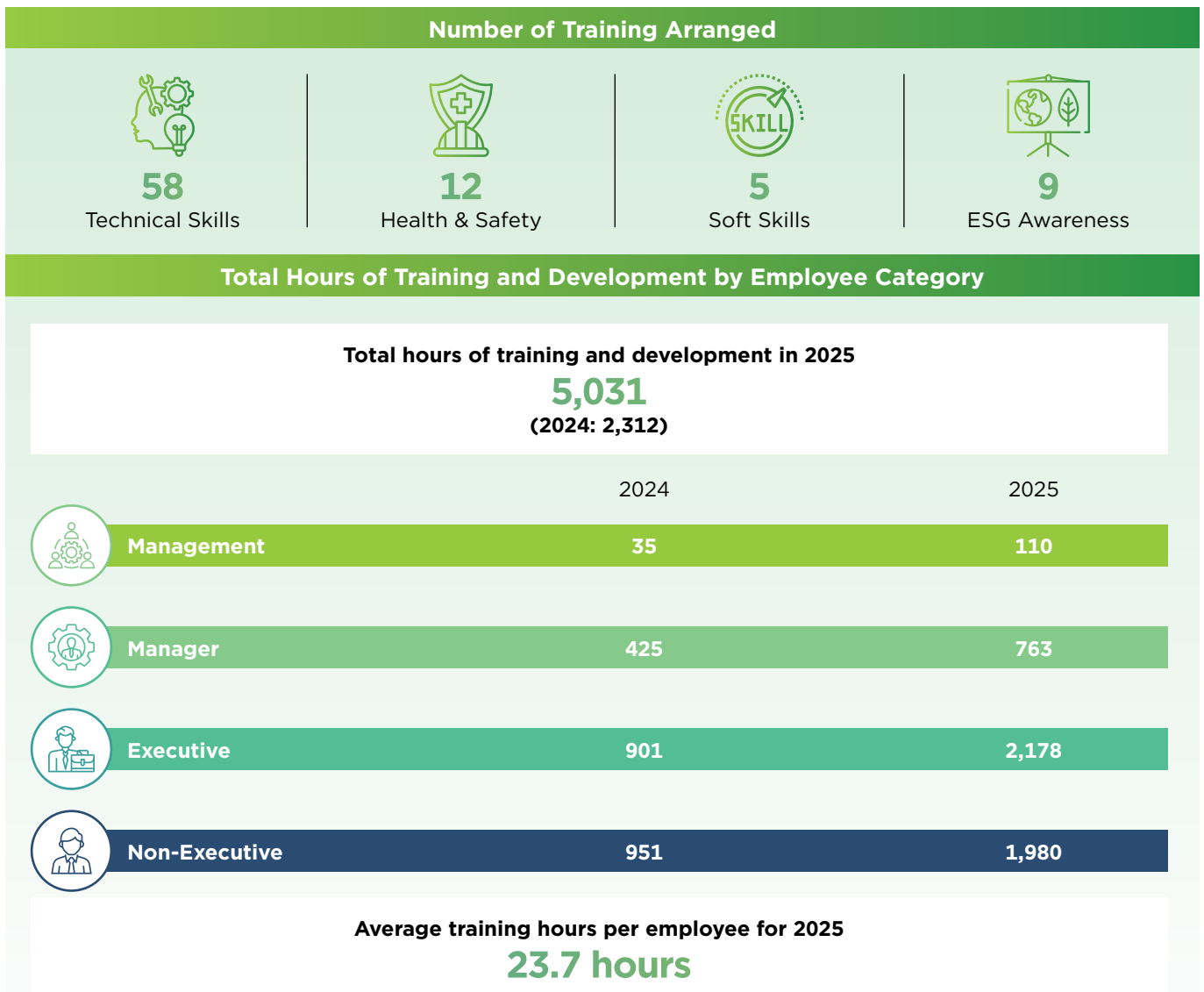
CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Developing our People

Skills and career development at Nextgreen are managed as a shared responsibility between managers and their teams. We actively encourage and support our people to enhance job-related skills and knowledge, strengthening performance and preparing them for future career progression.

We continue to invest in employee training to build a capable and resilient workforce that drives continuous improvement, enhances competency, and supports our competitiveness within the industry. Training needs are assessed based on employees' current roles and career aspirations. In 2025, we intensified our employee training initiatives, with a stronger focus on developing technical skill-based competencies to support the delivery of high-quality work and productivity. This commitment is reflected in the total training hours for employees during the year, totalling approximately 5,031 hours.

Our employees participate in on-the-job training suited to their roles, covering areas such as paper making, warehouse operations, quality awareness, and safety, health, and environmental practices. In addition, we have established a training and development framework at NGPP that outlines job-specific training requirements for non-executive employees.



Note:

Data on training hours have been available from 2024 onwards.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)



2025 Highlights



98%
procurement from
local suppliers



91% overall
customer
satisfaction rate



ZERO
product recalls

Prosperity extends beyond profit alone. We recognise that sustainable economic growth is strongest when the communities in which we operate also thrive. Nextgreen is committed to promoting sustainable economic development by fostering environments that attract investment, create employment opportunities, and deliver positive outcomes for the environment and society.

PROMOTING ECONOMIC GROWTH

The ability to create and sustain economic performance is important for Nextgreen and our stakeholders. We strive for positive economic growth and sustained value for both our business and stakeholders as our business continues to evolve.

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Participating in leading industrial events

We actively participate in industry events to introduce our business and products to both local and international markets.

Key Industrial Events

Nextgreen at Oil Palm Biomass Conference

Nextgreen was proud to participate in the Oil Palm Biomass Conference 2025, held on 14th to 15th April 2025 at Berjaya Times Square Hotel, Kuala Lumpur. At our booth, visitors explored a range of innovative green products, including EFB pulp and paper, eco-friendly pulp moulded products, and organic fertilisers to showcasing our expertise in turning oil palm biomass into valuable, sustainable products.

These innovations are developed through our GTP, which is built on a circular economy model and zero waste concept. The conference provide a valuable platform for us to highlight our sustainability efforts, engage with industry stakeholders, and explore future collaboration opportunities.



International Greentech & Eco Products Exhibition and Conference Malaysia (IGEM) 2025

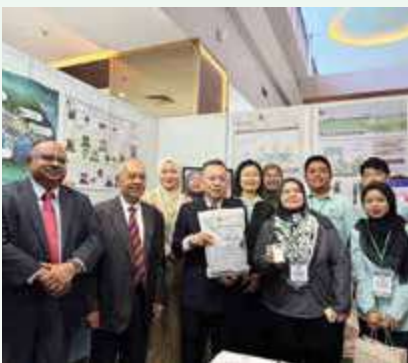
Nextgreen is pleased to announce the successful conclusion of our participation in the International Greentech & Eco Products Exhibition and Conference Malaysia (IGEM) 2025, held from 15th to 17th October 2025 at the Kuala Lumpur Convention Centre. This exhibition enables Nextgreen to engage with industry stakeholders and highlight its sustainability-driven innovations, including EFB based pulp and paper, eco-friendly food packaging, and organic fertilisers supporting circular agricultural practices.

A key attraction was the presentation of Nextgreen's GTP, a model of zero-waste and circular economy that demonstrates how oil palm biomass can be transformed into high-value green products.

APRIL
2025

JULY
2025

OCTOBER
2025



Nextgreen at the Global ESG Symposium 2025: Driving Innovation Through ESG

A representative from Nextgreen was invited as a panel speaker at the Global ESG Symposium 2025, held on 31st July 2025 at INTI International College Subang. This half-day symposium brought together leading experts and practitioners to explore ESG strategies, share real-world case studies, and discuss how sustainable innovation is transforming business practices.

During the panel discussion, we contributed valuable insights on how ESG-driven innovation is reshaping industries and creating new opportunities for sustainable growth, and shared Nextgreen's commitment to green technology and circular economy solutions, particularly through its biomass initiatives that support both environmental and economic goals.



CORPORATE SUSTAINABILITY STATEMENT (CONT'D)



Nextgreen Concludes Successful Participation at CETA 2025

Nextgreen is pleased to announce the successful conclusion of our participation in the Clean Energy Transition Asia (CETA) Exhibition, held from 10th to 12th December 2025 at the Kuala Lumpur Convention Centre.

Nextgreen showcased its integrated approach to converting biomass into bioenergy and the use of renewable solar energy to power GTP operations. Nextgreen highlighted the development of its Biomass Hub, recognised under the National Biomass Action Plan 2023-2030 (NBAP). This strategic initiative aims to maximise resource efficiency and harness Malaysia’s abundant biomass—particularly from oil palm—for sustainable energy, circular economy development, and long-term economic growth. Nextgreen looks forward to continuing its journey toward a greener, more sustainable future.

NOVEMBER 2025

Nextgreen at Osaka Expo 2025

Our participation highlights our commitment to driving circular economy solutions, zero-waste initiatives, and sustainable development. We took this opportunity to connect with a wider range of stakeholders, industry leaders, and potential partners in Japan to exchange insights and explore new opportunities for collaboration.



DECEMBER 2025



CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Supporting the local economy and supply chain

Nextgreen supports the local economy by sourcing from local suppliers and vendors, helping to ensure sustainable operations. Reliance on a competent and resilient supply chain is a key component of Nextgreen's operations. Our strategic emphasis on sustainable procurement and local sourcing balances environmental stewardship with critical business imperatives that directly influence our operational efficiency and market competitiveness. This approach ensures the consistent delivery of quality products that meet our customers' requirements, while actively engaging with local businesses and suppliers that align with our operational standards and business objectives.

Year	2024	2025
Percentage of spending on local suppliers (%)	88%	98%

Note:

Data on percentage of local supplier have been available from 2024 onwards.

Local sourcing also reduces lead times and transportation costs, supports small and medium-sized enterprises, and stimulates economic development within our operational regions. By strengthening community ties and enhancing responsiveness to market demands, this approach contributes to regional economic resilience. Beyond operational benefits, sustainable procurement reinforces brand perception and promotes optimal resource utilisation, all of which are integral to Nextgreen's long-term success.

COMMITTING TO CORPORATE SOCIAL INVESTMENT

At Nextgreen, we recognise that community engagement is central to advancing a circular economy. The communities where we operate are home to our workforce, and understanding their needs is essential to building stronger, more resilient communities while supporting our business sustainability. We contribute directly and indirectly through employment, training, social investments, and strategic partnerships. Through targeted initiatives and active engagement, we aim to address local needs, foster sustainable development, and ensure that our growth is inclusive and benefits all stakeholders.

Empowering Youth Development and Educators

Youth are the drivers of the future, and we recognise the important role that academic institutions and educators play in the green transition. Nextgreen is committed to empowering young leaders by fostering skills and values that support a sustainable future. To this end, we have undertaken initiatives to integrate sustainable practices into students' academic journeys.

We take pride in bridging the gap between academia and industry, promoting knowledge sharing in science, technology, and innovation. Through lectures and industrial talks at various institutions, we share Nextgreen's zero-waste and circular economy practices. Students and academic staffs also have the opportunity to experience our flagship products, reinforcing the promotion of sustainable innovations and responsible consumption.

CEO@PTJ UPM

On 7th January 2025, Nextgreen organised the "Next-Gen Green: Materialising Sustainability" programme at the Faculty of Biotechnology and Biomolecular Sciences, Universiti Putra Malaysia ("UPM"). The programme served as a meaningful platform to bridge academia and industry, fostering constructive dialogue on sustainability and green technology.

The session engaged a total of 72 participants, comprising 48 final-year Bachelor of Science (Biotechnology) (Honours) students, 18 academic staff from FBSB, and 6 representatives from Nextgreen. The programme provided an enriching environment for knowledge sharing, collaboration, and the exchange of perspectives on advancing sustainable practices and innovation.



CEO@PTJ UPM



CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Commentary from Assoc. Prof. Dr. Norhayati Binti Ramli, Head,
Department of Bioprocess Technology, Faculty of Biotechnology and
Biomolecular Sciences, UPM



The partnership between the Faculty of Biotechnology and Biomolecular Sciences, UPM, and Nextgreen is well-established through long-term collaborative research, particularly in the valorisation of oil palm biomass. This ongoing collaboration reflects our shared vision of translating green technology innovations into practical solutions for a circular bioeconomy.

Strengthening the partnership between FBSB and Nextgreen, Dato' Lim Thiam Huat, Group Managing Director of Nextgreen Global Berhad, was appointed as CEO@FBSB UPM for the first term (2021-2023) and subsequently reappointed for the second (2024-2025) and third (2025-2027) terms. His continued appointment reflects both parties' confidence in the strategic alignment between UPM's academic vision and Nextgreen's industrial sustainability leadership. The CEO@PTJ Programme also serves as a strategic leadership and industry immersion platform for young academics, designed to cultivate industry-oriented mindsets, leadership values, and sustainability competencies.

It further aims to provide industrial exposure and knowledge sharing from experienced CEOs while strengthening university-industry partnerships.

Under the theme "Next-Gen Green: Materialising Sustainability", the engagement enhanced students' understanding of green career pathways and improved their employability in sustainability-driven industries. The engagement reinforced existing research linkages in biomass utilisation and sustainable packaging technologies, setting the foundation for extended R&D initiatives. Participants were inspired by Dato' Lim's leadership philosophy, promoting efficient work ethics and strategic thinking aligned with corporate sustainability goals. Collectively, these outcomes contribute to UPM's mission of producing globally competitive talent and advancing the national sustainability agenda.

Moving forward, we hope to strengthen collaborations with Nextgreen through joint R&D programmes focused on bioprocess innovation, green materials, and circular economy applications utilising local biomass resources. We also look forward to expanding industry-embedded academic initiatives, including sustainability immersion modules, industrial attachment schemes, and co-supervision of postgraduate research, as well as community and outreach programmes that promote environmental stewardship and sustainable entrepreneurship.



CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

Young Minds @ Pekan

On 1st October 2025, Nextgreen organised the Young Minds Go Green programme at its flagship GTP in Pekan, Pahang. This Corporate Social Responsibility initiative reflects Nextgreen's ongoing commitment to sustainability education and to nurturing environmental awareness among the younger generation.

The programme was designed to provide high school students with practical exposure to green technology and circular economy concepts through real-world applications. Participants were guided through the end-to-end transformation of oil palm EFB into high-quality pulp and paper products, demonstrating Nextgreen's integrated, zero-waste manufacturing approach.

In addition to learning about the Group's operations and sustainability initiatives, the students engaged in discussions and activities on environmental stewardship and the importance of adopting responsible consumption and production practices. Nextgreen's representatives also shared valuable insights on career pathways within the green industry, encouraging students to consider future roles that contribute to Malaysia's transition towards a low-carbon and circular economy.



Young Minds @ Pekan

Strengthening Community Resilience

We are committed to supporting vulnerable groups and strengthening local livelihoods through targeted community initiatives. Through these efforts, we aim to contribute to a healthier and more resilient community while encouraging employee volunteerism and fostering a culture of empathy and social responsibility. We remain committed to progressively enhancing our community investment programmes to create meaningful and lasting value.

Food Donation to Pertubuhan Kebajikan Warga Tua Damai

Our employees delivered warm meals to the residents of Pertubuhan Kebajikan Warga Tua Damai, aiming to spread cheer and care. This initiative not only provided the less fortunate with meals packaged in our signature woodfree packaging, but also fostered meaningful connections between Nextgreen and the local community.



Note:

The total amount invested in community initiatives where the target beneficiaries are external to the listed issuer amounted to RM 9,720 in 2024, benefiting 2,344 individuals. In 2025, focus was directed to other priority areas, and therefore no comparable data is reported as these activities were not material for the year.

Continuous Agriculture Education ("CAE") programme

Throughout 2025, NGF actively facilitated agricultural education sessions for local farmers in collaboration with NAFAS Bajakimia Sdn Bhd and Pertubuhan Peladang Negeri (PPN) in Penang, Kedah and Perlis, with the aim of enhancing farmers' awareness and adoption of sustainable fertilisers and environmentally friendly agricultural practices. Each CAE session was attended by approximately 30 to 50 local farmers. Similar sessions were also conducted with independent farmers in Pekan, Pahang and Kuala Selangor.

During these sessions, our employees delivered technical briefings and shared practical knowledge on biofertiliser application methods to strengthen farmers' understanding, acceptance and implementation of sustainable agricultural practices for improved soil health, nutrient management and crop productivity.



CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

ENHANCING CUSTOMER SATISFACTION

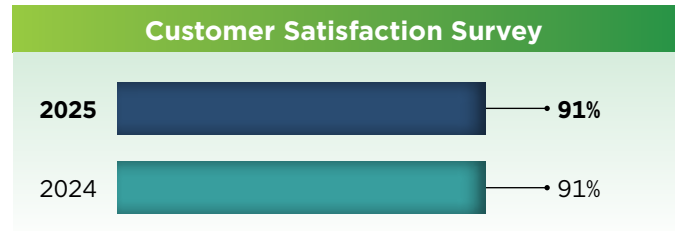
Quality control and customer satisfaction are central to Nextgreen's commitments to delivering high-quality, reliable products and services with a strong focus on safety. Recognising that product excellence influences brand reputation, customer trust and regulatory compliance, Nextgreen prioritises product quality assurance and consistent customer engagement. We maintain high standards of service and delivery, recognising the key role of high-quality service in fostering customer trust and reinforcing brand reputation.

We ensure product quality through:

- Quality control processes to uphold industry and regulatory standards.
- Customer feedback analysis and implementation of improvement strategies.

We engaged with our customers in 2025 to assess their overall level of satisfaction and identified areas in that need improvement. Our Customer Satisfaction Survey Form was used to gather feedback from customers, which is managed by a dedicated department at Nextgreen. In line with our commitment to quality, we set a target of achieving an 80% positive feedback rate for customer satisfaction.

In 2025, we achieved an overall customer satisfaction rate of 91%, surpassing our target. This structured approach supports Nextgreen's ongoing alignment with evolving customer requirements and industry standards, while ensuring the delivery of sustainable, reliable, and high-quality products. We also maintained zero product recalls in both 2024 and 2025.



Note: Data on customer satisfaction survey have been available from 2024 onwards.

NGPP has **ZERO** Product Recalls in year 2025




NGPP maintained an overall customer satisfaction rate of **91%** for both years, 2024 and 2025







CORPORATE SUSTAINABILITY STATEMENT (CONT'D)











Global Framework Reporting: GRI, UNGC and SDG content index









Statement of use	Nextgreen Global Berhad has reported in reference to the GRI Standards for the period 1 st January 2025 to 31 st December 2025
GRI 1 Used	GRI 1: Foundation 2021

GRI Standards	Disclosure number and title	Page Number	Relevant SDGs	Relevant UNGC principles
General Disclosure				
GRI 2: General Disclosure 2021	2-1	Organisational details	28 to 35	 Principle 6
	2-2	Entities included in the Organisation's sustainability reporting	37	
	2-3	Reporting period, frequency and contact point	37	
	2-4	Restatements of information	37, 61	
	2-5	External assurance	NA	
	2-6	Activities, value chain and other business relationships	28 to 35, 73 to 79	
	2-7	Employees	65 to 72	
	2-8	Workers who are not employees	71	
	2-9	Governance structure and composition	11, 17 to 25, 84 to 94	
	2-10	Nomination and selection of the highest governance body	102 to 103	
	2-11	Chair of the highest governance body	11, 17 to 25	
	2-12	Role of the highest governance body in overseeing the management of impacts	53 to 54, 84 to 94, 102 to 103	
	2-13	Delegation of responsibility for managing impacts	53 to 54	
	2-14	Role of the highest governance body in sustainability reporting	53 to 54	
	2-15	Conflicts of interest	7, 17 to 25, 27 to 28, 96	
	2-16	Communication of critical concerns	95 to 97	
	2-17	Collective knowledge of the highest governance body	84 to 94	
	2-18	Evaluation of the performance of the highest governance body	102 to 103	
	2-19	Remuneration policies	90 to 92*	
	2-20	Process to determine remuneration	92 to 93	
	2-21	Annual total compensation ratio	**	
	2-22	Statement on sustainable development strategy	40	
	2-23	Policy commitments	50 to 52	
	2-24	Embedding policy commitments	50 to 55, 67, 70, 95, 104	
	2-25	Processes to remediate negative impacts	33, 41 to 47, 53, 98 to 101	
	2-26	Mechanisms for seeking advice and raising concerns	53, 84 to 94	
	2-27	Compliance with laws and regulations	50 to 55, 66 to 70, 84 to 94	

GRI Standards	Disclosure number and title	Page Number	Relevant SDGs	Relevant UNGC principles
General Disclosure				
GRI 2: General Disclosure 2021	2-28	Membership associations	39	
	2-29	Approach to stakeholder engagement	48 to 49	
	2-30	Collective bargaining agreements	***	
Material Topic				
GRI 3: Material Topic 2021	3-1	Process to determine material topics	41	
	3-2	List of material topics	42 to 44	
	3-3	Management of material topics	45 to 47	
Procurement Practices				
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	73, 76	
Anti-Corruption				
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	52, 95 to 97	 ANTI-CORRUPTION Principal 10
	205-2	Communication and training about anti-corruption policies and procedures	52 to 53, 86 to 87, 95 to 97	
	205-3	Confirmed incidents of corruption and actions taken	52	
Materials				
GRI 301: Material 2016	301-1	Materials used by weight or volume	57 to 60	 ENVIRONMENT Principal 7
	301-2	Recycled input materials used	59 to 60, 62 to 64	
	301-3	Reclaimed products and their packaging materials		
Energy				
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	56, 59 to 61	 ENVIRONMENT Principal 7
	302-2	Energy consumption outside of the organisation	61	
	302-3	Energy intensity	N/A	
	302-4	Reduction of energy consumption	59 to 61	
	302-5	Reductions in energy requirements of products and services	N/A	
Environment				
 ENVIRONMENT Principal 9				

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

GRI Standards	Disclosure number and title	Page Number	Relevant SDGs	Relevant UNGC principles
Water and Effluents				
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	59	  ENVIRONMENT
	303-2	Management of water discharge-related impacts	43	
	303-3	Water withdrawal	N/A	 Principal 7
	303-4	Water discharge	N/A	
	303-5	Water consumption	59	
Emissions				
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	60 to 61	  ENVIRONMENT
	305-2	Energy indirect (Scope 2) GHG emissions	60 to 61	
	305-3	Other indirect (Scope 3) GHG emissions	60 to 61	
	305-4	GHG emissions intensity	N/A	 ENVIRONMENT
	305-5	Reduction of GHG emissions	N/A	
	305-6	Emissions of ozone-depleting substances (ODS)	N/A	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A	
Waste				
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	60	  ENVIRONMENT
	306-2	Management of significant waste-related impacts	60, 62	
	306-3	Waste generated	60	 Principal 7
	306-4	Waste diverted from disposal	56, 60	
	306-5	Waste directed to disposal	60	
Employment				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	71	  LABOUR
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	N/A	
	401-3	Parental leave	N/A	

GRI Standards	Disclosure number and title	Page Number	Relevant SDGs	Relevant UNGC principles
Occupational Health and Safety				
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	66 to 68	  HUMAN RIGHTS
	403-2	Hazard identification, risk assessment, and incident investigation	66 to 68	
	403-3	Occupational health services	N/A	
	403-4	Worker participation, consultation, and communication on occupational health and safety	66 to 68	
	403-5	Worker training on occupational health and safety	66 to 68	
	403-6	Promotion of worker health	N/A	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	66 to 68	
	403-8	Workers covered by an occupational health and safety management system	N/A	
	403-9	Work-related injuries	66 to 68	
	403-10	Work-related ill health	66 to 68	
Training and Education				
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	72	  LABOUR
	404-2	Programme for upgrading employee skills and transition assistance programme	72	
	404-3	Percentage of employees receiving regular performance and career development reviews	N/A	
Diversity and Equal Opportunity				
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	55, 65, 71	  LABOUR
	405-2	Ratio of basic salary and remuneration of women to men	N/A	
Local Communities				
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	76 to 78	 
	413-2	Operations with significant actual and potential negative impacts on local communities	N/A	
Customer Privacy				
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	50, 55	

Notes:

* https://nextgreenglobal.listedcompany.com/misc/cg_file/NGGB_Remuneration-Policy-and-Procedure.pdf

** Compensation is reflective of the education, talent, experience and performance of the individual

*** At present, we are not observing any collective bargaining or union related matters

N/A: Not Available

CORPORATE SUSTAINABILITY STATEMENT (CONT'D)

PRESCRIBED TABLE

Date & Time: 2026-04-27 12:03:55
FYE 31/12/2025

Nextgreen Global Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Good Governance, Ethics & Conduct and Compliance: Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category	%	Management : 71 Manager : 100 Executive : 97 Non-Executive : 98	Management : 100 Manager : 100 Executive : 100 Non-Executive : 100	Internal	
Good Governance, Ethics & Conduct and Compliance: Anti-Corruption	Percentage of operations assessed for corruption-related risks	%	100	100	Internal	
Good Governance, Ethics & Conduct and Compliance: Anti-Corruption	Number of confirmed incidents of corruption	Number of confirmed incidents	0	0	Internal	
Good Governance, Ethics & Conduct and Compliance: Labour Practices and Standards	Number of substantiated complaints concerning human rights violations	Number of substantiated complaints	0	0	Internal	
Good Governance, Ethics & Conduct and Compliance: Supply Chain Management	Proportion of spending on local suppliers	%	98.78	-	Internal	
Responsible Environment Management : Water	Total volume of water used	ML (Megalitres)	190.31	-	Internal	
Responsible Environment Management : Energy	Total energy consumption	GJ (Gigajoules)	25,743,96	-	Internal	
Responsible Environment Management : Waste	Total waste generated	Tonnes	370.02	-	Internal	A total of 2.15 MT of scheduled waste remained on-site at the end of the reporting period and was therefore not recorded as disposed. The waste remains accounted for in total waste generated but has not been diverted to, or processed through, any disposal or recovery pathways pending collection by a licensed contractor.

**CORPORATE SUSTAINABILITY STATEMENT
(CONT'D)**

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Responsible Environment Management : Waste	Total waste diverted from disposal	Tonnes	328.50	-	Internal	
Responsible Environment Management : Waste	Total waste directed to disposal	Tonnes	39.37	-	Internal	
Occupational Safety & Health	Number of work-related fatalities	Number of fatalities	0	0	Internal	
Occupational Safety & Health	Lost time incident rate	Rate	2.2	-	Internal	
Occupational Safety & Health	Number of employees trained on health and safety standards	Number of employees trained	103	-	Internal	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Nextgreen Global Berhad (“NGGB” or the “Company”) recognises the importance of practising high standards of corporate governance in the best interest of NGGB and its stakeholders, and to protect and enhance shareholders’ value and the performance of the Company and its subsidiaries (“the Group”).

The Board is pleased to present this Corporate Governance (“CG”) Overview Statement (the “Statement”) to provide an overview of the CG practices adopted by the Company in achieving the intended outcomes as set out in the Malaysian Code on Corporate Governance (“MCCG”) with reference to the following 3 key principles, under the stewardship of the Board:

- (a) Principle A : Board Leadership and Effectiveness;
- (b) Principle B : Effective Audit and Risk Management; and
- (c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Statement also serves as a compliance with Paragraph 15.25(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and should be read together with the CG Report of the Company for the financial year ended 31 December 2025 published on the Company’s website at www.nextgreenglobal.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(I) BOARD RESPONSIBILITIES

The Board recognise the importance of full responsibilities of the overall performance of the Group. In discharging their fiduciary responsibilities, the Board sets the business direction and overseeing the conduct of the Group based on the periodic performance of the Group reported by management in the quarterly financial results.

Executive Directors are responsible to the Board for implementing operational and corporate decisions while the Non-Executive Directors are responsible for providing independent views, advice and judgment in consideration of the interests of shareholders at large in order to effectively check and balance the Board’s decision-making process.

The position of the Chairman and the Managing Director are held by separate individual who are not related to each other, to ensure a good balance of power and authority, such that no one individual has unfettered powers in decision making. Presently, the Board is chaired by Dato’ Dr. Haji Sohaimi Bin Shahadan, an Independent Non-Executive Chairman, is primarily responsible for matters pertaining to the Board and the overall conduct of the Company. The Chairman provides leadership at Board level, chairing the meetings of the Company and the Board, represents the Board to shareholders and together with the Board, reviews and approves the strategic objectives and policies of the Group.

The Board has adopted its Board Charter (“Charter”) and the updated Charter is available for reference at the Company’s website at www.nextgreenglobal.com.

Key matters reserved for the Board’s approval include business plan, annual budget, dividend policy, business continuity plan, new issues of securities, business restructuring and disposal and acquisition of assets/ investments.

The Board Committees, namely Audit, Governance and Risk Committee, Nomination Committee, Remuneration Committee and Employees’ Share Option Scheme are entrusted with specific responsibilities to oversee the Group’s affairs with authority to act on behalf of the Board and operate within their respective Terms of Reference. Accordingly, the ultimate responsibility for the final decision on all Board Committees’ matters lie with the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Board is provided with and has access to all the Company's information to enable it to discharge its duties. The management is invited to attend the Board and Board Committees' meetings and to brief and provide explanation to the directors on the operations in the Group. The Board is also briefed by the Company Secretaries and External Auditors on the changes in corporate regulatory requirements. In addition, the Board collectively engage independent professionals, when necessary, to seek their advice in furtherance of their duties.

Procedurally, when external advice is necessary, the director who intends to seek such consultation or advice shall notify the management or Secretaries of such request. Upon obtaining the Board Chairman's or Managing Director's approval, the director can engage the services of the adviser and the fee for the independent professional advice shall be borne by the Company. All advice and opinions from the advisers shall then be reported to the Board.

The Board is assisted by 2 qualified and competent Company Secretaries. Both Company Secretaries are members of Malaysian Institute of Chartered Secretaries and Administrators. All Directors have unrestricted access to the advice and services of the Company Secretaries. Further information on the roles and responsibilities carried out by the Company Secretaries are set out in Practice 1.5 of the Company's CG Report.

The Company has defined its Code of Conduct and Ethics (which is included in its Board Charter) and whistleblowing policy, addressing, inter-alia, the following subjects:

- Anti-Bribery and Anti-Corruption;
- Conflict of interest;
- Insider trading;
- Sexual harassment;
- Misuse of confidential information;
- Non-compliance of regulatory requirements; and
- Fraud and concealment of any or a combination of the above.

The whistleblowing policy provides a safe mechanism for whomever comes forward and raise any concerns about the actual or potential fraud or breach of trust involving employees, management and the directors of the Group. The identity of the whistle blower and all concerns raised would be treated as private and confidential in order to protect the whistle blower from victimization or harassment arising from the reporting.

In line with the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 which effective from 1 June 2020, the Group has on April 2020 put together an Anti-Bribery and Anti-Corruption Policy and procedures to prevent risks related to inappropriate behaviour, such as acts of bribery and corruption which it is available for reference at the Company's website at www.nextgreenglobal.com.

The Board meets at least every quarter and on other occasions, as and when necessary, to approve quarterly financial results, statutory financial statements, the Annual Report as well as to review the performance of the company and its operating subsidiaries, governance matters, related party transactions, major acquisition or disposal of assets and other business development matters.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

During the financial year ended 31 December 2025, total five (5) of the Board meetings were held. The details of attendance by the Board members during their tenure as directors are as follows:

Directors	No. of meetings attended by Directors
Dato' Dr. Haji Sohaimi Bin Shahadan [<i>Independent Non-Executive Chairman</i>]	4/5
Dato' Lim Thiam Huat [<i>Managing Director</i>]	5/5
Ts. Dr. Lim Kah Yen [<i>Executive Director</i>]	5/5
Lim Kah Yee [<i>Executive Director</i>]	5/5
Dato' Mohd Yusof Bin Din [<i>Non-Independent Non-Executive Director</i>]	5/5
See Cherng Jye [<i>Non-Independent Non-Executive Director</i>] - Appointed on 25 March 2025	4/4
Teh Chau Chin [<i>Independent Non-Executive Director</i>]	5/5
Maylee Gan Suat Lee [<i>Independent Non-Executive Director</i>]	5/5
Datuk Rawisandran A/L Narayanan [<i>Independent Non-Executive Director</i>] - Appointed on 25 July 2025	2/2

Board papers are circulated to the Board members prior to the Board meetings so as to provide the Directors with relevant and timely information to enable them to deliberate issues raised during Board meetings more effectively. The Company Secretaries had attended all the Board and Board Committees meetings.

The Directors recognise the need to attend training to enable them to discharge their duties effectively. During the financial year and up to the printing time, the Directors have participated in relevant training programmes to enhance their skills and knowledge and to keep abreast of the relevant change in laws, regulations and business environment. The training attended by the Directors are listed below:

Directors	Training Attended	Date
Dato' Dr. Haji Sohaimi Bin Shahadan	<ul style="list-style-type: none"> IFRS Sustainability Disclosure Standards Training for Board Members 	28 August 2025
Dato' Lim Thiam Huat	<ul style="list-style-type: none"> 2025 China Pulp and Paper Conference, Xiamen IFRS Sustainability Disclosure Standards Training for Board Members Kuala Lumpur Sustainability Summit International Greentech & Eco Products Exhibition and Conference Malaysia (IGEM) 2025 Global Chinese Economic & Technology Summit 	10-11 April 2025 28 August 2025 15 October 2025 15-17 October 2025 19 November 2025
Ts. Dr. Lim Kah Yen	<ul style="list-style-type: none"> 5th International Oil Palm Biomass Conference Awareness Training on MS2751:2022 MSPO Chain on Custody Oil Palm Biomass (CoC) Awareness Training on ISCC Plus Finding the Right A-Level Talent – How to Identify A-Level Talent IFRS Sustainability Disclosure Standards Training for Board Members Kuala Lumpur Sustainability Summit International Greentech & Eco Products Exhibition and Conference Malaysia (IGEM) 2025 Internal Audit Training on MS2751:2022 MSPO Chain on Custody Oil Palm Biomass (CoC) & ISCC Plus Global Chinese Economic & Technology Summit Sustainability Awareness & Framework Development Training & Workshop 	14-15 April 2025 23 June 2025 24 June 2025 1 August 2025 28 August 2025 15 October 2025 15-17 October 2025 29-30 October 2025 19 November 2025 2-3 December 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Directors	Training Attended	Date
Lim Kah Yee	<ul style="list-style-type: none"> • WORKSHOP: What EUDR Means to Malaysia's Palm Oil • 2025 China Pulp and Paper Conference, Xiamen • Webinar: Closing the Circle - Embedding UNRMS in the Circular Economy • Young Executives Sustainability Summit (YESS) 2025 • IFRS Sustainability Disclosure Standards Training for Board Members • Kuala Lumpur Sustainability Summit • International Greentech & Eco Products Exhibition and Conference Malaysia (IGEM) 2025 • Global Chinese Economic & Technology Summit • Sustainability Awareness & Framework Development Training & Workshop 	8 April 2025 10-11 April 2025 24 June 2025 12 August 2025 28 August 2025 15 October 2025 15-17 October 2025 19 November 2025 2-3 December 2025
Dato' Mohd Yusof Bin Din	<ul style="list-style-type: none"> • Anti-Bribery and Anti-Corruption (ABAC) & Project Risk Assessment (PRA) Training • Mandatory Accreditation Programme Part II: Leading for Impact (LIP) • IFRS Sustainability Disclosure Standards Training for Board Members 	4 March 2025 30-31 July 2025 28 August 2025
See Cherng Jye	<ul style="list-style-type: none"> • IFRS Sustainability Disclosure Standards Training for Board Members • Mandatory Accreditation Programme 	28 August 2025 27-28 October 2025
Teh Chau Chin	<ul style="list-style-type: none"> • Regional Summer Academy, Kuala Lumpur - International Anti-Corruption Academy • Workshop on Advancing Integrity Together: Public-Private Partnership for Inclusive Anti-Corruption Reforms • Southeast Asia Forum - Trade, Investment and Cross-Cultural Management Amid Global Uncertainty • IFRS Sustainability Disclosure Standards Training for Board Members • Climate First... Or Last • The Audit Oversight Board's Conversation with Audit Committees - Navigating the National Sustainability Reporting Framework • AI-Powered Leadership Conference 	11-14 July 2025 16 July 2025 14 August 2025 28 August 2025 8 September 2025 25 November 2025 2 December 2025

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Directors	Training Attended	Date
Maylee Gan Suat Lee	• Termination of Misconduct	20 May 2025
	• The Essence of Minutes, Meetings and Resolutions & Understanding the Malaysian Employment Law from a Company's Secretaries Perspective	24 May 2025
	• AI and Data Governance: A Strategic Responsibility for Company Secretaries in the Digital Era & Crisis Management and Business Continuity: The Company	26 July 2025
	• SSM National Conference 2025	19- 20 August 2025
	• IFRS Sustainability Disclosure Standards Training for Board Members	28 August 2025
	• VCCLC Session 1: The Rise of ESG and Climate Litigation – Emerging Directors' Duties	10 November 2025
	• VCCLC Session 2: Trustee Amendment Act 2025	10 November 2025
	• VCCLC Session 3: Corporate Sustainability and Governance	11 November 2025
	• VCCLC Session 4: Venture Capital Funds in Malaysia: Bridging Legal Gaps to Unlock Capital for Innovation	11 November 2025
	• VCCLC Session 5: Competition Law	12 November 2025
	• VCCLC Session 6: Contract Law Reform	12 November 2025
	• VCCLC Session 7: AI & the Lawyer – Will We Be Replaced?	13 November 2025
	• VCCLC Session 8: The Corporate Veil: From Salomon – Malaysian Judicial Approach	13 November 2025
	• VCCLC Session 9: Corporate Governance in Transition – The Evolving Role of the Company Secretaries in Malaysia's Legal Landscape	13 November 2025
• VCCLC Session 10: Insolvency	14 November 2025	
• VCCLC Session 11 - Managing Corporate Disputes	14 November 2025	
• CPD-Live- Mastering the Art of Pre-Trial Strategy: Aligning Legal Theory with Courtroom Reality	17 November 2025	
Datuk Rawisandran A/L Narayanan	• IFRS Sustainability Disclosure Standards Training for Board Members	28 August 2025

The training needs of each Director would be assessed and proposed by the individual Director. Each Director determines the areas of training that he may require for personal development as a Director or as a member of the Board Committees.

The Directors are conscious of the importance of keeping abreast with the latest changes and development in legal and regulatory governance, so as to update and refresh themselves on matters that may affect their performance as Directors. As part of training and professional development for the Board, the Company ensures that Directors are briefed from time to time on changes of regulations, guidelines and accounting standards, as well as other relevant trends or issues.

(II) BOARD COMPOSITION

The Board consists of nine (9) members, comprising one (1) Independent Non-Executive Chairman, one (1) Managing Director, two (2) Executive Directors, two (2) Non-Independent Non-Executive Directors and three (3) Independent Non-Executive Directors. The composition is in compliance with the Main Market Listing Requirements, which stipulate that at least two (2) or one-third (1/3) of the Board members must be independent directors and at least one (1) director must be a woman.

The Company also adheres to Practice 5.9 of the MCGG which recommends that at least 30% women directors in the Board. Presently, the Board includes three (3) female directors, representing 33.3% of its total composition. The Board recognises the importance of boardroom diversity and supports the MCGG's recommendation of achieving a minimum of 30% female representation on the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Directors with their diverse backgrounds, specialisation, qualifications and experiences, bring with them a wide range of knowledge and expertise, for the effective management of the Group.

The Board recognises the importance and contributions of its Independent Non-Executive Directors. They provide objectivity, impartiality and independent judgement to the Board and ensure adequate check and balance in Board's decision. Their presence provides unbiased and independent views, advice and opinion to safeguard the interest of minority shareholders.

The Board does not have a term limit for its Independent Non-Executive Directors and is of the view that the independence of the Independent Directors should not be determined solely or arbitrary by their tenure of services. However, the Board embraces the MCCG recommendation for retaining an Independent Director beyond nine (9) years.

In the event that the Board intends to retain the Independent Director beyond nine (9) years, the Board should provide justification and seek shareholders' approval through a two-tier voting process and the manner to obtain the shareholders' approval on the resolution shall follow the recommendation of MCCG.

As at the date of this Statement, the tenure of the Independent Non-Executive Directors of the Company are as follows:

Directors	< 9 Years	> 9 Years
Dato' Dr. Haji Sohaimi Bin Shahadan	-	√
Teh Chau Chin	√	-
Maylee Gan Suat Lee	√	-
Datuk Rawisandran A/L Narayanan (Appointed on 25 July 2025)	√	-

Following an assessment and recommendation by the Nomination Committee ("NC"), the Board recommended that Dato' Dr. Haji Sohaimi Bin Shahadan who has served as Independent Non-Executive Director for a cumulative term of more than nine (9) years to continue to be designated as Independent Non-Executive Chairman of the Company subject to the shareholders' approval at the AGM, based on the following key justifications:

- (a) he fulfills the criteria under the definition of Independent Director as stated in the Listing Requirements of Bursa Securities and, therefore, is able to bring independent and objective judgment to the Board as a whole;
- (b) his experience in the relevant industries has enabled him to provide the Board and Board Committees, as the case may be, with pertinent expertise, skills, contribution and competence;
- (c) he has been with the Company for a certain period and therefore understands the Company's business operations which enables them to contribute actively and effectively during deliberations or discussions at Board and Committee meetings;
- (d) he continues to be scrupulously independent in his thinking and in his effectiveness as constructive challenger of the Executive Directors; and
- (e) he exercises due care during his tenure as an Independent Non-Executive Chairman and carried out his professional duties in the best interest of the Company and shareholders.

The Board assesses the independence of the independent directors annually, taking into account of the individual Directors' ability to exercise its independent judgement at all times and contribution to the effective functioning of the Board.

The NC has reviewed the performance of the Independent Non-Executive Chairman and is satisfied he has been able to discharge their responsibilities in an independent manner.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The NC is responsible for identifying and nominating candidates to fill Board vacancies for approval by the Board as and when they arise. The search and nomination process for new Directors, if any, are through Directors' personal contacts, recommendations of the Company's sponsor or may engage executive search firms to source for potential candidates.

A mix of skills, competencies, integrity, diversity, ability to commit time and industry knowledge may also be sought. The NC will review, shortlist candidates and make recommendations to the Board for its consideration and approval.

Pursuant to the Term of Reference of the NC, the NC is tasked to identify, nominate and orientate new Directors and to make recommendations to the Board for the appointment of Directors. While the Board is responsible for the appointment of new Directors, the NC is delegated with the role of screening and conducting an initial selection, which includes external and independent searches, before making a recommendation to the Board. The NC reviews the candidate for appointment as Director based on the mix of skills, expertise, working experience, professionalism, integrity and the ability to discharge their expected duties and responsibilities.

In sourcing for new Directors, the Board acknowledges the importance of not solely relying on recommendations from existing Board members, Management or major shareholders in identifying candidates for appointment of Directors, but trust that the nomination has its merits. The NC meets with the shortlisted Board candidates to assess their suitability and availability before making recommendations to the Board for its consideration and approval.

(III) REMUNERATION

The present members of the Remuneration Committee are as follows:

Chairperson	Maylee Gan Suat Lee	Independent Non-Executive Director
Member	Teh Chau Chin	Independent Non-Executive Director
Member	Datuk Rawisandran A/L Narayanan	Independent Non-Executive Director

The Term of Reference is available for reference at the Company's website at www.nextgreenglobal.com.

The main function of the Remuneration Committee ("RC") is to recommend to the Board, the remuneration packages of Managing Director and Executive Directors of the Group. The Directors' fees and other benefits of Non-Executive Directors are determined by the Board as a whole.

The RC considers the principles recommended by the Code in determining the directors' remuneration, whereby the remuneration of the executive directors is designed to link rewards to the Group's performance whilst the remuneration of the non-executive directors is determined based on their experience and the level of responsibilities assumed.

The amount of Directors' fee and benefits payable to the non-executive directors proposed for the shareholders' approval at the forthcoming 20th Annual General Meeting ("AGM") is Ringgit Malaysia Five Hundred Sixty Five Thousand only (RM565,000.00).

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The details of Directors' remuneration for the financial year ended 31 December 2025 are as follows:

COMPANY LEVEL (RM '000)						
Directors	Directors' fee	Meeting Allowances	Salaries	Bonus	Benefits in-kind	Other Emoluments
Dato' Dr. Haji Sohaimi Bin Shahadan <i>[Independent Non-Executive Chairman]</i>	120	-	-	-	7	-
Dato' Lim Thiam Huat <i>[Managing Director]</i>	-	-	600	-	25	72
Ts. Dr. Lim Kah Yen <i>[Executive Director]</i>	-	-	41	-	-	5
Lim Kah Yee <i>[Executive Director]</i>	-	-	101	-	-	12
Dato' Mohd Yusof Bin Din <i>[Non-Independent Non-Executive Director]</i>	168	6	-	-	-	-
See Cherng Jye <i>[Non-Independent Non-Executive Director]</i> (Appointed on 25 March 2025)	37	5	-	-	-	-
Teh Chau Chin <i>[Independent Non-Executive Director]</i>	48	11	-	-	-	-
Maylee Gan Suat Lee <i>[Independent Non-Executive Director]</i>	48	11	-	-	-	-
Datuk Rawisandran A/L Narayanan <i>[Independent Non-Executive Director]</i> (Appointed on 25 July 2025)	21	4	-	-	-	-
Chan Wan Siew <i>[Independent Non-Executive Director]</i> (Deceased on 25 April 2025)	15	2	-	-	-	-

GROUP LEVEL (RM '000)						
Directors	Directors' fee	Meeting Allowances	Salaries	Bonus	Benefits in-kind	Other Emoluments
Dato' Dr. Haji Sohaimi Bin Shahadan <i>[Independent Non-Executive Chairman]</i>	120	-	-	-	7	-
Dato' Lim Thiam Huat <i>[Managing Director]</i>	-	-	1,080	-	25	114
Ts. Dr. Lim Kah Yen <i>[Executive Director]</i>	-	-	185	-	-	23
Lim Kah Yee <i>[Executive Director]</i>	-	-	205	-	-	25
Dato' Mohd Yusof Bin Din <i>[Non-Independent Non-Executive Director]</i>	168	6	-	-	-	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

GROUP LEVEL (RM '000)						
Directors	Directors' fee	Meeting Allowances	Salaries	Bonus	Benefits in-kind	Other Emoluments
See Cherng Jye <i>[Non-Independent Non-Executive Director]</i> (Appointed on 25 March 2025)	37	5	-	-	-	-
Teh Chau Chin <i>[Independent Non-Executive Director]</i>	48	11	-	-	-	-
Maylee Gan Suat Lee <i>[Independent Non-Executive Director]</i>	48	11	-	-	-	-
Datuk Rawisandran A/L Narayanan <i>[Independent Non-Executive Director]</i> (Appointed on 25 July 2025)	21	4	-	-	-	-
Chan Wan Siew <i>[Independent Non-Executive Director]</i> (Deceased on 25 April 2025)	15	2	-	-	-	-

Although the MCCG recommends full disclosure by the Company of the remuneration of its Key Senior Management on named basis, the Company is of the view that it is not in its best interest to disclose confidential details of remuneration due to the confidentiality and sensitive nature of such information. The Company does not intend to adopt the recommendation to disclose the detailed remuneration of each member of Key Senior Management in the bands of RM50,000.00 on a named basis.

In setting the remuneration packages for Key Senior Management, the Company keeps in mind the remuneration and employment conditions within the industry and in comparable companies. The level and structure of the Key Senior Management's remuneration is aligned with the Company's long-term interest and desire to attract, retain and motivate the right talent to achieve superior performance and continued growth and development of the Company.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(I) AUDIT, GOVERNANCE AND RISK COMMITTEE

The Audit, Governance and Risk Committee ("AGRC") members are financially literate and are able to understand matters under the purview of the AGRC including the financial reporting process. Presently, the members of AGRC comprising fully Independent Non-Executive Directors and the Chairman of the AGRC is not the Chairman of the Board.

The AGRC take cognisance of its responsibility to review the adequacy and integrity of financial information by considering the results of both the Internal and External Auditors' findings and reports as well as management actions to improve its systems of internal control. The summary of work of AGRC is reported in the AGRC Report on pages 95 to 97 of this Annual Report.

The AGRC is chaired by Mr Teh Chau Chin, who is an Independent Non-Executive Director, while the Chairman of the Board is Dato' Dr. Haji Sohaimi Bin Shahadan, an Independent Non-Executive Chairman. The Chairman of the AGRC is not the Chairman of the Board. This ensured that the objectivity of the Board's review of the AGRC's findings and recommendations is not impaired.

None of the AGRC members were former partners of the Company's existing audit firm.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

(II) RISK MANAGEMENT AND INTERNAL CONTROL

The Board as a whole responsible for the overall and oversight of risk management in the Group covering the system of risk management and internal control for financial, operational and compliance while the Executive Directors together with the senior management team are primary responsible for managing risks in the Group.

Further details of the Group's systems of risk management and internal control are reported in the Statement on Risk Management and Internal Control on pages 98 to 101 of this Annual Report. The Board has also commented in the said statement that they are satisfied with the effectiveness and adequacy of the existing level of systems of risk management and internal control. Going forward, the Board will review, adopt, implement and disclose an internationally recognised risk management framework; and define its risk policy and risk appetite.

The internal audit function of the Company is carried out by the Internal Audit Department which reports to the AGRC and assists the AGRC in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

The Internal Auditor provides independent assessment on the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the AGRC. It is the responsibility of the Internal Auditors to provide the AGRC with independent and objective reports on the state of internal control of the various operating units within the Group.

During the financial year ended 31 December 2025, the AGRC reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced Internal Auditors and that they have the necessary authority to carry out their work.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

(I) COMMUNICATION WITH STAKEHOLDERS

The Board places importance in ensuring disclosures made to shareholders and investors are accurate, clear, timely and comprehensive as they are critical towards building and maintaining corporate credibility and investor confidence. It is believed that clear and consistent communication with investors promotes better appreciation of the Company's business and activities, reduces share price volatility and allows the Company's business and prospects to be evaluated fairly.

In order to maintain its commitment of effective communication with shareholders, the Group embrace the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as the general investing public.

The Company's website at www.nextgreenglobal.com incorporates an Investor Relations section which provides all relevant information on the Company accessible to the public. This section enhances the Investor Relations function by including all announcements made by the Company and its annual reports. The quarterly financial results are announced via Bursa LINK after the Board's approval. This is important in ensuring equal and fair access to information by the investing public. Shareholders and investors may also forward their queries to the Company via email to info@nextgreenglobal.com.

In addition to the dissemination of information to shareholders and other interested parties via announcements to Bursa Securities, its website, circulars and press releases, the Board is of the view that the annual and any extraordinary general meetings as ideal opportunities to communicate with shareholders.

The Company is not categorised as a "Large Company" and hence, has not adopted integrated reporting based on globally recognised framework.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

(II) CONDUCT OF GENERAL MEETINGS

General meetings are an important avenue for Board Members to engage with shareholders. Shareholders are provided with the opportunity to seek clarification on the Group's strategy, performance and major developments during the general meetings. Shareholders' right relating to general meeting is also published on the Company's website at www.nextgreenglobal.com.

The Board has adopted the recommendation of the MCCG for the Notice of the 19th AGM was given to the shareholders at least 28 days prior to the meeting. The Board encourages shareholders to participate in the questions and answers session and to interact and feedback to the Chairman for opinions or concerns during the AGM. The Chairman and the respective Chairman of the Board Committees as appropriate will respond to questions raised by the shareholders during the AGM.

The 19th AGM of the Company, held physically on 26 June 2025, aimed to enhance shareholder engagement. The Company leveraged technology to facilitate remote participation and implemented electronic voting for polling on resolutions.

The Corporate Governance Overview Statement are made in accordance with a resolution of the Board of Directors passed on 25 April 2026.

AUDIT, GOVERNANCE AND RISK COMMITTEE REPORT

ROLES AND RESPONSIBILITIES

The Audit, Governance and Risk Committee (“AGRC”) was established by the Board of Directors of the Company with the primary objective to assist the Board of Directors in fulfilling its statutory and fiduciary responsibilities relating to corporate governance, system of internal controls, risk management processes, anti-corruption processes, and management & financial reporting practices of the Group.

COMPOSITION OF AGRC

Chairman:	Teh Chau Chin (<i>Independent Non-Executive Director</i>)
Members:	Maylee Gan Suat Lee (<i>Independent Non-Executive Director</i>)
	Datuk Rawisandran A/L Narayanan (<i>Independent Non-Executive Director</i>) (Appointed on 25 July 2025)

The AGRC composition is in line with Paragraph 15.09 of MMLR. During the financial year ended 31 December 2025, the AGRC comprises two (2) members who are Independent and Non-Executive Directors. The Chairman of the AGRC is a fellow member of Malaysian Institute of Accountants. Collectively, the AGRC members are qualified individuals having the required level of expertise to discharge the AGRC’s function and duties. For the financial year ended 31 December 2025, the AGRC is supported by the Company’s internal audit function.

DETAILS OF ATTENDANCE

The AGRC conducted five (5) meetings during the financial year ended 31 December 2025 and their attendance as set out below:

Name of members	No. of Meetings Attended
Teh Chau Chin	5/5
Maylee Gan Suat Lee	5/5
Datuk Rawisandran A/L Narayanan (Appointed on 25 July 2025)	2/2

TERMS OF REFERENCE

The Term of Reference is available for reference at the Company’s website at www.nextgreenglobal.com.

FORMER AUDIT PARTNER

The AGRC has a policy that requires a former audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AGRC.

Currently, no former audit partner of the Group has been appointed to the Board or employed by the Group.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The AGRC carried out the following activities during the financial year ended 31 December 2025 in discharging their duties and responsibilities as follows:

Financial Reporting:

- (a) Reviewed the unaudited quarterly financial results, cash flows and financial positions for each financial quarter by considering any significant transactions or changes in accounting that may impact the Group’s financial position and performance before recommending these interim financial statements to the Board for review and approval and announcement to the public;

AUDIT, GOVERNANCE AND RISK COMMITTEE REPORT (CONT'D)

- (b) Reviewed the annual audited financial statement, auditors' report and accounting issues arising from the audit of the financial year ended 31 December 2025 and discussed with Management and the External Auditors on the accounting principles and standards that were applied in the annual audited financial statements;
- (c) Considered changes in and implementation of major accounting policies and practices to the Group; significant matters and unusual events or transaction highlighted by the External Auditors and how these significant matters were addressed including the basis for the exercise of judgement arising from the audit;

External Audit:

- (a) Reviewed the External Auditors' Audit Planning Memorandum and deliberated the key audit observations and risks as well as key audit matters brought up by the External Auditors;
- (b) Reviewed the External Auditors' audit strategy and audit approach via Audit Planning Memorandum for 2025;
- (c) Conducted private meeting session with the External Auditors without the presence of executive board members and management personnel to further discuss matters arising from audit and assess the assistance given by the Management to the External Auditors;
- (d) Reviewed the performance, effectiveness and independence of the External Auditors and made recommendations to the Board on the appointment and remuneration of auditors including the position of non-audit services;
- (e) Evaluated the suitability, objectivity and independence of Messrs. UHY Malaysia PLT as the External Auditors of the Company for the financial year ending 31 December 2025 to the Board of Directors for recommendation to the shareholders for approval;
- (f) Reviewed the proposed fees for the External Auditors in respect of their audit of the Company and the Group;

Internal Audit:

- (a) Reviewed the progress of internal audit plan to ensure that the direction of the audit and risk assessment is appropriate to the environment in which the Group is operating;
- (b) Reviewed the Corporate Governance Overview Statement, AGRC Report, and Statement on Risk Management and Internal Control and made recommendations for Board's consideration and approval for inclusion in the annual report; and
- (c) Assessed the adequacy of the scope, functions, competency and resources of the Internal Audit Department and that they have the necessary authority to carry out their work.

Related Party Transaction:

- (a) Updated the quarterly status of related party transactions to ensure these transactions were transacted on an arm's length basis and are not detrimental to the interests of minority shareholders.

Conflict of Interest:

- (a) Reviewed potential conflict of interest situations that may arise within the Company or the Group and the measures identified to resolve, eliminate or mitigate the conflict of interest.

Enterprise Risk Management ("ERM") and Adequate Procedures Implementation

- (a) The AGRC received and reviewed report from the Risk, Governance and Integrity ("RGI") function on the identification, assessment, and monitoring of key risks under the Group's Enterprise Risk Management framework, including the adequacy and effectiveness of mitigation measures implemented.

AUDIT, GOVERNANCE AND RISK COMMITTEE REPORT (CONT'D)

- (b) The AGRC also received and reviewed reports from the RGI function on the Group's compliance with Section 17A (Corporate Liability Provision) of the Malaysian Anti-Corruption Commission Act 2009, including the implementation and ongoing enhancement of the Group's Adequate Procedures in accordance with the relevant Guidelines.

Other Matters:

- (a) Reported to the Board on matters addressed in the AGRC meetings.
- (b) Reviewed the Terms of Reference of AGRC to ensure it is aligned with the developments of MMLR and MCCG.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The internal audit function for the Group is headed by the Head of Internal Audit.

During the financial year, the internal audit department reviewed and provided independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control systems. The costs incurred for maintaining the internal audit function for the financial year ended 31 December 2025 is RM335,641.

A summary of the activities of the internal audit and Risk, Governance and Integrity for the financial year ended 31 December 2025 are as follows:

Internal Audit

- Internal control review on Petty Cash and Staff Claim Process Department of Government and Strategic Alliance (DeGSA);
- Internal control review on Procurement, Sales and Inventory Process for Nextgreen Fertilizer Sdn Bhd;
- Internal control review on Advisory report on assessment into compliance to the Group Anti-Bribery and Anti-Corruption Manual;
- Internal assurance on data integrity for Sustainability Report 2025; and
- Internal Audit Plan for year 2026

Risk, Governance and Integrity ("RGI")

The Group's RGI Anti-Corruption function undertook the following initiatives:

Enterprise Risk Management ("ERM")

- Ongoing application of the ERM framework to identify, assess, manage, and monitor key strategic and operational risks.
- Integration of risk governance and internal controls to support informed decision-making by Management and the Board.
- Continuous monitoring and periodic review of prioritised enterprise risks to ensure alignment with the Group's risk appetite and business strategy.

Adequate Procedures

- Due Diligence of Business Associates, Suppliers and Customers; including the implementation of Know-Your-Counterparty ("KYC") procedures;
- E-Training on ABAC Policy;
- Bribery and Corruption Risk Assessment; and
- Physical training on Integrity, MACC Act, and ABAC Policy

For further details on the risk management, internal controls and internal audit functions, please refer to the Statement on Risk Management and Internal Control in this Annual Report.

The AGRC Report is made in available with the resolution of the Board on 25 April 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Nextgreen Global Berhad (“NGGB” or “the Company” or “the Board”) is pleased to present its Statement on Risk Management and Internal Control which has been prepared pursuant to Paragraph 15.26(b) of Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and is prepared in accordance with the Statement on Risk Management and Internal Control (“SORMIC”) Guidelines 2025 for Directors of Listed Companies (“SORMIC Guide 2025”).

RISK MANAGEMENT, GOVERNANCE AND INTEGRITY

The NGGB Board sees strong risk oversight as a key responsibility to support the Group’s strategic and sustainability goals. The Audit, Governance and Risk Committee (“AGRC”) leads the Group’s risk management efforts by monitoring key risks and ensuring proper internal controls for better decision-making.

To improve risk governance, AGRC promotes a consistent approach across NGGB. This is supported by the Risk, Governance and Integrity Department, which manages all risk-related activities and helps AGRC strengthen risk strategies and internal controls to manage operational, financial, and strategic risks.

In 2025, NGGB strengthened its Enterprise Risk Management (“ERM”) framework through several key initiatives aimed at enhancing risk oversight, embedding a risk-aware culture, and ensuring alignment with regulatory expectations.

1. Risk Identification and Monitoring

A Primary Risk Register (PRR) and Risk Appetite (RA) were introduced across all departments and subsidiaries. These tools help identify and monitor risks systematically with quarterly reviews to manage emerging issues.

2. Training and Awareness

Staff attended focused training and workshops to build a risk-aware culture and improve risk detection and response.

3. Implementation Across Organisation

The PRR, RA, and training were implemented groupwide across all NGGB departments and subsidiaries. NGGB continues to strengthen the role of AGRC in risk oversight, now supported by the Risk, Governance and Integrity Department. This team helps improve risk and governance practices across the Group. Together, these efforts support strategic goals, comply with the Malaysian Code on Corporate Governance 2021, and reflect NGGB’s commitment to continuously improve its risk management in a changing business environment.

4. Adequate Procedures Implementation (“API”)

NGGB continued the implementation and enhancement of its Adequate Procedures Implementation (“API”) program during the year. These procedures are guided primarily by the Group’s Anti-Bribery and Anti-Corruption (“ABAC”) Policy and are designed to strengthen internal controls, promote ethical conduct, and ensure compliance with applicable laws and regulations. This reflects the Group’s commitment to good governance, integrity, and ethical business practices.

As part of the Group’s Adequate Procedures on Anti-Corruption Compliance Program, the Anti-Bribery and Anti-Corruption (“ABAC”) function carried out the following initiatives:

- a) Due Diligence of Business Associates, Suppliers and Customers;
- b) E-Training on Anti-Bribery and Anti-Corruption Policy (ABAC Policy);
- c) Bribery and Corruption Risk Assessment; and
- d) Physical training on Integrity, MACC Act, and ABAC Policy

Collectively, these initiatives support the effective implementation of the Group’s Adequate Procedures and reinforce a culture of integrity, accountability, and ethical conduct across the organisation. Through the continued application of the ABAC Policy, due diligence and KYC measures, risk-based assessments, and targeted training, the Group remains committed to preventing corruption and enhancing governance practices in line with Section 17A of the MACC Act 2009 and the Guidelines on Adequate Procedures, thereby supporting sustainable long-term value creation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL CONTROLS

Apart from the above, the present key internal controls and review processes in the Group are as follows:

- i. The Board, in discharging its duties, has established several committees, namely the Audit, Governance and Risk Committee, the Nomination Committee and the Remuneration Committee. The Board Committees operate within clearly defined terms of reference with procedures and authority delegated and approved by the Board. These terms of reference are reviewed from time-to-time. The Board Committees meet on a scheduled basis when required.
- ii. The Group has a well-defined organisation structure that is in line with the business requirements with clearly defined responsibilities to the Board, Board Committees, and management.
- iii. Internal Audit Department reports directly to the Audit Committee and provides independent, reasonable and objective assurance, in addition, also provides advisory and consultation services designed to add value and improve internal controls for the Group.
- iv. In the same vein, the Group also set-up the Anti-Bribery & Anti-Corruption function to strengthen governance, integrity and anti-corruption compliance and controls.
- v. Limit of authority and approval facilitating delegation of authority;
- vi. Written policies and guidelines are established and communicated to all level of management and employees for implementation and compliance. These policies and guidelines are also used as the basis to develop standard operating procedures for the Group;
- vii. Standard operating procedures are in place to ensure that assets are subject to proper controls. Proper segregation of duties exist and aligned with business process requirements.
- viii. Periodic performance reports for management monitoring and ensuring that the business operations progressed in accordance with the objectives and targets;
- ix. Preparation of annual sales forecast, budgeted profit or loss and cash flow projection for monthly monitoring and tracking of performance;
- x. Provision of on-job training to employees to strengthen the controls on the business competitiveness and capability of our organisation;
- xi. Financial exposure arising from burglary, consequential loss and fire are covered by appropriate insurance policies;
- xii. On-going training programs for Directors, Senior Management, staff and workers in respect of Anti-Bribery & Anti-Corruption; and
- xiii. On-going on-line training and sign-off on Anti-Bribery & Anti-Corruption Policy for new joiners to the Group.

BOARD REVIEW MECHANISM

In order to ensure the objectivity of the review of the systems of risk management and internal control framework in the Group, the Audit, Governance and Risk Committee ("AGRC") is instituted by the Board to undertake this oversight role.

The AGRC assesses the adequacy and effectiveness of internal controls based on the internal audit findings presented by the Internal Auditors. These reviews were done where the Internal Auditors will present their internal audit report to the AGRC and audit issues and actions taken by management to address control deficiencies will be deliberated and implemented where necessary.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Management also supplements the AGRC review on control and risk assessment when presenting their quarterly financial performance and results to the AGRC. In this process, the AGRC will review and analyse the interim financial results in corroboration with management representations on operations, the performance of its subsidiaries vis-à-vis the risks and challenges in the business. As part of this process, AGRC also deliberates the integrity of the financial results, annual report and audited financial statements before recommending to the Board to be presented to the shareholders and public investors.

Annually, upon completion of audit, the External Auditors will report to the AGRC on their audit findings. As part of this review, AGRC will obtain feedback from the External Auditors on control deficiencies noted by them in the course of their statutory audit.

INTERNAL AUDIT FUNCTION

The Group has an Internal Audit team to perform its internal audit function and reports to the AGRC and assists the AGRC in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

Internal audit provides independent assessment on the effectiveness and efficiency of internal controls to support the corporate governance framework and to provide assurance to the AGRC.

A summary of the activities of the risk based internal audit for the financial year ended 31 December 2025 are as follows:

- a) Internal control review on Petty Cash and Staff Claim Process Department of Government and Strategic Alliance (DeGSA);
- b) Internal control review on Procurement, Sales and Inventory Process for Nextgreen Fertilizer Sdn Bhd;
- c) Internal control review on Advisory report on assessment into compliance to the Group/Anti-Bribery and Anti-Corruption Manual;
- d) Internal assurance on data integrity for Sustainability Report 2025; and
- e) Internal Audit Plan for year 2026

The results of the internal audit review and the recommendations for improvement were presented at the scheduled Audit Committee meetings. The Internal Audit Department also performed follow-up audits and/or walkthrough tests to ensure that the appropriate corrective actions have been undertaken to address the control gaps highlighted. Based on the internal audit reviews conducted, none of the gaps noted have, in all material aspect, raises any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with the Bursa Securities' Guidelines, management is responsible to the Board for identifying risks; implementing and maintaining sound systems of risk management and internal control and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Group achievement of its objective and performance.

Before producing this Statement, the Board has received assurance from Managing Director that, to the best of his knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

BOARD ASSURANCE AND LIMITATION

The Board derives its comfort of the state of internal control and risk management of the Group from the following processes and information:

- Periodic review of financial information covering financial performance, quarterly financial results and key business indicators;
- AGRC's review and consultation with the management on the integrity of the financial results, annual report and audited financial statements;
- Audit findings and reports on the review of the systems of internal control from the Internal Auditors; and

Management assurance that the Group's risk management and internal control systems have been operating adequately and effectively, in all material respects.

For the financial year under review, the Board is satisfied that the existing level of systems of risk management and internal control are effective in enabling the Group to achieve its business objectives and there were no material losses resulted from significant control weaknesses.

The Board wishes to reiterate that risk management and internal control would be continuously monitored and evaluated in line with the evolving business development.

However, it should also be noted that systems of risk management and internal control are only designed to manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems can only provide reasonable but not absolute assurance against the occurrence of any material misstatements, frauds and losses.

REVIEW OF STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of MMLR of Bursa Securities, the external auditors have reviewed this statement for inclusion in the Annual Report of the Company for the financial year ended 31 December 2025 and have reported to the Board that nothing has come to their attention that cause them to believe that this Statement is inconsistent with their understanding of the process that the Board has adopted in the review of the adequacy and integrity of the systems of internal control of the Group.

Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagement to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

BOARD ASSESSMENT

The Board is of the view that the Company's overall risk management and internal control system is operating adequately and effectively, in all material aspects, and has received the same assurance from Managing Director of the Company.

The Board confirms that the risk management process in identifying, evaluating and managing significant risks faced by the Company has been in place throughout the financial year ended 31 December 2025 up to the date of approval of this Statement.

This Statement was made in accordance with a resolution of the Board of Directors passed on 25 April 2026.

NOMINATION COMMITTEE'S STATEMENT

The current members of the Nomination Committee are:

Chairman:	Datuk Rawisandran A/L Narayanan, <i>Independent Non-Executive Director</i> (Appointed on 25 July 2025)
Members:	Teh Chau Chin, <i>Independent Non-Executive Director</i> Maylee Gan Suat Lee, <i>Independent Non-Executive Director</i>

The Term of Reference is available for reference at the Company's website at www.nextgreenglobal.com.

The Nomination Committee assists the Board in reviewing the new candidate in terms of the candidates' skill, knowledge, expertise and experience before recommending to the Board for decision. For assessment and selection of director candidate, consideration would be taken on the need to meet the regulatory requirements such as Companies Act 2016, the Main Market Listing Requirement ("MMLR") of Bursa Securities and other criteria such as

- Age
- Industrial experience, skillsets and knowledge
- Academic qualification
- Expected contributions to the existing and new businesses
- Expected enhancement to the board's strength and network

For appointment of Independent Directors, the Nomination Committee would also assess whether the candidate meets the requirements for independence based on criteria prescribed in the Listing Requirements.

The Nomination Committee is empowered to identify and recommend new appointments to the Board. The potential candidates may be proposed by existing directors, senior management staff, shareholders or third-party referral. Under normal circumstances, the Nomination Committee would review new board candidates proposed by the Executive Directors to fill vacancy arises from resignation, retirement or any other reasons and make the recommendation to the Board thereon for decision. Based on the recommendation of the Nomination Committee, the Board would evaluate and decide on the appointment of the proposed candidate.

The Malaysian Code on Corporate Governance ("MCCG") emphasises the importance of right board composition in bringing value to the Board deliberation and transparency of policies and procedures in selection and evaluation of board members. Upon receipt of the proposal, the Nomination Committee is responsible to conduct an assessment and evaluation on the proposed candidate. The assessment/evaluation process may include, at the Nomination Committee's discretion, reviewing the candidate's resume, biographical information, candidate's qualifications, conducting background searches and other criteria as required.

The Board is supportive of gender diversity and encourages female participation in the board. Currently the Board has 3 women representation.

In accordance with the Constitution of the Company, all newly appointed Directors are subject to retirement by rotation and are entitled for re-election at the first annual general meeting after their appointment. Pursuant to Clause 107 of the Company's Constitution, at each annual general meeting one-third (1/3) of the Directors for the time being or if their number is not 3 or a multiple of 3, the number nearest to one-third (1/3) shall retire from office at least once in every three (3) years but shall be eligible for re-election.

In recommending the Directors for re-election to the Board, the Nomination Committee would also refer to the individual Directors' annual assessment result to ensure that feedback given, and scoring achieved by the relevant directors who are retiring by rotation are satisfactory.

The Nomination Committee undertakes annual assessment to evaluate the performance of each individual Directors, the effectiveness of the Board and the Board Committees.

The effectiveness of the Board and Board Committees are assessed in the areas of board structure/mix, decision making and boardroom participation and activities, meeting administration and conducts, skill and competencies and role and responsibilities whilst the performance of the individual Directors is assessed in the areas such as contribution and interaction with peer, quality of the input of the Director, and understanding of their roles.

NOMINATION COMMITTEE'S STATEMENT (CONT'D)

The Board has through the Nomination Committee, conducted the following assessments in the financial year ended 31 December 2025:

- a) Directors' self-assessment;
- b) Evaluation on the effectiveness of the Board as a whole and Board Committees;
- c) Assessment of Independent Directors; and
- d) Review of the term of office and performance of AGRC and each of its members.

The annual assessment of individual Directors, Board as a whole and Board Committees which commences with the completion of a set of self-assessment form detailing all assessment criteria to be completed by all Directors for evaluation by the Nomination Committee. Criteria for the self-assessment includes self-ratings on the Director's knowledge, support of the goals of the Company, time commitment, and active participation on the Board. The outcome of the assessment and recommendation would be reported to the Board for information and decision on areas for improvement.

Based on the assessments conducted for the financial year ended 31 December 2025, the Nomination Committee was satisfied with the performance of the Board as a whole, the Board Committees and each individual Director.

The Director who is subject to re-election and/or reappointment at next Annual General Meeting are assessed by the Nomination Committee (with the relevant Nomination Committee member abstaining on his/her own reelection) before recommendation is made to the Board and shareholders for the re-election and/or re-appointment.

During the financial year ended 31 December 2025, the following activities undertaken by the Nomination Committee:

- a) Performance assessment sheets received in relation to the annual assessment on the performance and effectiveness of the Board of Directors and Board Committees, the performance of each Director and the terms of office and performance of the AGRC and each of its member ("Board Annual Evaluation on Effectiveness") for the financial year ended 31 December 2025;
- b) Annual assessment on the board independence under the MCCG (Annual Assessment on Board Independence" for year 2025);
- c) List of Directors standing for re-election at the 19th Annual General Meeting and proposed to the Board the name of retiring Directors for re-election; and
- d) Appointment of Directors.

Based on these assessments, it was noted that:

- a) The performance of all Directors was good and above average and therefore all retiring directors be recommended to shareholders for re-election;
- b) The Company has an effective board and its composition was well balanced after taking into account the Board members' wide experience and exposure in various areas as well as their diverse skills and qualities;
- c) The performance of the Board Committees is satisfactory;
- d) Independent Directors were free from influence which could interfere with their ability to exercise impartial judgment on key deliberations and decisions; and
- e) The current composition of the Board and their experience are effective for Board's functions.

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

During the financial year, the amount of audit and non-audit fees paid/payable to the external auditors by the Company and the Group respectively for the financial year ended 31 December 2025 were as follows:

	Company (RM)	Group (RM)
Audit Services Rendered	90,000	432,500
Non-Audit Services Rendered	5,000	5,000
(a) Review of Statement on Risk Management and Internal Control	5,000	5,000
(b) Others		-

2. REVALUATION POLICY

The Company and the Group does not have a revaluation policy on its properties.

3. MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOAN

During the financial year under review, there was no other material contract and/or contracts relating to loan entered into by the Company and/or its subsidiary companies involving Directors and Major Shareholders' interests.

4. UTILISATION OF PROCEEDS

Private Placement

On 5 March 2024, the Company proposed to undertake a private placement of up to 10% of the total number of issued ordinary shares of the Company to independent third-party investors to be identified later at an issue price to be determined later ("Proposed Private Placement").

On 22 March 2024, Bursa Malaysia Securities Berhad ("Bursa Securities") approved NGGB's proposal of issuance of a total of 102,573,700 Placement shares.

On 19 March 2025, the Company applied for a six-month extension from 22 March 2025 up to 21 September 2025.

As at 21 September 2025, the Company successfully raised RM84,819,860.00 from the private placement of 97,672,000 new ordinary shares. The placement was carried out in seven (7) tranches as follows:

- i) First tranche of 19,950,000 of new share at issuance price of 93 cents/unit
- ii) Second tranche of 22,727,000 of new share at issuance price of 88 cents/unit
- iii) Third tranche of 25,000,000 of new share at issuance price of 89 cents/unit
- iv) Fourth tranche of 5,000,000 of new share at issuance price of 87 cents/unit
- v) Fifth tranche of 13,545,000 of new share at issuance price of 78 cents/unit
- vi) Sixth tranche of 10,000,000 of new share at issuance price of 80 cents/unit
- vii) Seventh tranche of 1,900,000 of new share at issuance price of 80 cents/unit

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

4. UTILISATION OF PROCEEDS (CONT'D)

The status of the utilisation of the proceeds is as follows:

Utilisation of proceeds	Proceeds raised RM'000	Actual Utilisation RM'000	Balance unutilised RM'000	Expected timeframe for utilisation
Funding for the GTP project	70,000	70,000	-	Within 24 months
Working capital	14,540	14,540	-	Within 12 months
Estimated expenses for the Proposed Private Placement	280	280	-	Immediate
Total	84,820	84,820	-	

Note:

(1) The proceeds raised from the Proposed Private Placement shall firstly be used to defray estimated expenses for the Proposed Private Placement, followed by up to RM70.00 million earmarked for funding for the GTP project. Any balance proceeds will be allocated for working capital of the Group.

On 21 September 2025, the Company has decided not to place out the remaining 1,901,300 Placement Shares available for placement. As such, the Private Placement is deemed completed on the even date.

5. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Group had on 22 December 2016 implemented the ESOS and the said ESOS had on 17 December 2021 extended the said ESOS which is expiring on 21 December 2021 for a another five (5) years from 22 December 2021 to 21 December 2026. The information in relation to the ESOS as at 31 December 2025 is as follows:-

	Total Number	Aggregate for Directors
Granted	69,570,000	19,200,000
Exercised	69,570,000	19,200,000
Total options or shares outstanding as at 31 December 2025	-	-

	During the financial year	Since commencement up to 31 December 2025
Granted to Directors and Senior Management		
Aggregate maximum allocation in percentage	0%	27.88%
Actual percentage granted	0%	27.88%

There were no options offered to and exercised by, or shares granted to and vested in Non-Executive Directors pursuant to ESOS during the financial year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors is required under Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to issue a statement explaining its responsibility in preparing the annual audited financial statements.

The Group's consolidated audited financial statements for the financial year ended 31 December 2025 have been prepared in accordance with the applicable approved accounting standards in Malaysia and the Companies Act 2016 ("CA 2016"), so as to give a true and fair view of the state of affairs and results of the Company and its subsidiaries. The Statement by Directors, pursuant to Section 251(2) of the CA 2016, is disclosed in the section titled "Statement by Directors" within the Directors' Report accompanying the audited financial statements. To ensure the financial statements are properly drawn up, the Board has undertaken the following measures:

Ensured the adoption and consistent application of appropriate, adequate and applicable accounting standards and policies;

- i. Ensure compliance with applicable approved accounting standards;
- ii. Applied judgments and estimates that are reasonable and prudent where necessary; and
- iii. Conducted enquiries into the Company's state of affairs and concluded that there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

The Board has also ensured that quarterly reports and annual audited financial statements are released to Bursa Malaysia Securities Berhad on a timely basis, to keep shareholders and the investing public informed of the Group's performance and corporate developments.

Furthermore, the Board affirms that the Company maintains proper accounting records that disclose with reasonable accuracy the financial position of the Company, and enable the Board to ensure that the financial statements are in compliance with the provisions of the CA 2016.

The Board has also taken all reasonably available steps to safeguard the Company's assets and to detect and prevent fraud or other irregularities.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 (RM)	2024 (RM)
Revenue		90,999,835	67,999,412
Other income		17,887,267	12,080,840
Interest/Finance income		104,079	7,450
Share of loss of associates		(1,272,723)	(1,327,878)
Total		107,718,458	78,759,824
Total Assets		770,347,488	579,336,761

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM)	2024 (RM)
Interest income		227	4,278
Total		227	4,278

(c) Group Total Income and Total Assets

(i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash and bank balances (exclude cash in hand)		5,613,639	6,575,976
Total Cash		5,613,639	6,575,976

Conventional Account/Instruments	Remarks	Group	
		2025 (RM)	2024 (RM)
Cash and bank balances (exclude cash in hand)		2,362,219	2,523,969
Deposits with licensed bank		13,900,000	-
Total Cash		16,262,219	2,523,969

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Bank overdrafts	Secured	1,496,971	1,359,740
Banker's acceptances	Secured	3,097,846	3,552,169
Term loans	Secured	6,172,575	4,341,481
Hire purchase payables		92,721	45,192
Non-Current			
Term loans	Secured	128,586,634	46,870,548
Hire purchase payables		248,612	105,488
Total Financing		139,695,359	56,274,618

Conventional Borrowing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Term loans	Secured	479,659	547,288
Hire purchase payables		150,273	195,166
Non-Current			
Term loans	Secured	11,029,238	11,638,265
Hire purchase payables		65,531	344,661
Total Debt		11,724,701	12,725,380

LIST OF PROPERTIES

The list of properties held by the Group as at 31 December 2025 is set out as follows:

Location	Description/ Existing Use	Land Area	Approximate Age of Building (Years)	Tenure	Net Book Value (RM)	Date of Acquisition
H.S.(M) 13154 Lot PT 23675 Mukim of Cheras, Daerah Hulu Langat, Selangor Darul Ehsan.	Land & Factory	7,356 (sq. m)	26	Leasehold expiring 30/12/2098	23,013,579	31/12/2014
Ngetkib Hamlet, Airai State, Palau Cadastral Lot No. 037N06	Land Held for Development	16,225 (sq. m)	-	Leasehold expiring 30/09/2114	6,407,645	23/06/2016
Kg. Paloh Hinai, Mukim Lepar, Daerah Pekan, Pahang Darul Makmur.	Land Held for Development	314.555 (acres)	-	Pending Issuance of Land Title from Pejabat Tanah Pahang	320,188,039	10/03/2016
Hakmilik No. 29655 Lot 16696, Mukim Lepar, Daerah Pekan, Pahang Darul Makmur.	Land & Factory	20 (acres)	4	Leasehold expiring 06/06/2119	72,986,219	31/12/2021
Nos. A37-01 to A-37-12, Menara The Met, Jalan Dutamas 2, 50480 Kuala Lumpur.	12 Office Units	1,496 (sq. m)	3	Freehold	16,176,425	31/05/2021

ANALYSIS OF SHAREHOLDINGS

(Based on Register of Depositors as at 31 March 2026)

Total Number of Issued Shares	: 1,093,405,718 Ordinary Shares
Class of Shares	: Ordinary Shares
Voting Rights	: One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS

(Based on Register of Depositors as at 31 March 2026)

SIZE OF SHAREHOLDINGS	ORDINARY SHARES	
	NUMBER	NUMBER
LESS THAN 100	209	7,208
100 TO 1,000	336	155,898
1,001 TO 10,000	673	3,845,893
10,001 TO 100,000	723	27,665,322
100,001 TO LESS THAN 5% OF ISSUED SHARES	412	950,086,177
5% AND ABOVE	2	111,645,220
TOTAL	2,355	1,093,405,718

DIRECTORS' SHAREHOLDINGS

(Based on Register of Directors' Shareholdings as at 31 March 2026)

No. Name	Direct		Indirect	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1. Dato' Dr. Haji Sohaimi Bin Shahadan	-	-	-	-
2. Dato' Lim Thiam Huat	116,338,664	10.64	27,246,100 *	2.49
3. Dr. Lim Kah Yen	18,911,000	1.73	116,338,664 **	10.64
4. Lim Kah Yee	5,032,000	0.46	116,338,664 **	10.64
5. Dato' Mohd Yusof Bin Din	-	-	-	-
6. See Cherng Jye	250,000	0.02	77,727,000 ***	7.11
7. Teh Chau Chin	300,000	0.03	-	-
8. Maylee Gan Suat Lee	21,709	0.002	-	-
9. Datuk Rawisandran A/L Narayanan	-	-	-	-

Notes:

* Deemed interested by virtue of the shares held by his children pursuant to Section 59 of the Companies Act 2016

** Deemed interested by virtue of the shares held by her father pursuant to Section 59 of the Companies Act 2016

*** Deemed interested by virtue of the shares held by his father pursuant to Section 59 of the Companies Act 2016 and his shareholding in Yuwang Plantation Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS (Based on Register of Depositors as at 31 March 2026) (CONT'D)

LIST OF SUBSTANTIAL SHAREHOLDERS

(Based on Register of Substantial Shareholders as at 31 March 2026)

No.	Name	Direct		Indirect	
		No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1.	Dato' Gan Kong Hiok	140,300,600	12.83	33,364,200 *	3.05
2.	Dato' Lim Thiam Huat	116,338,664	10.64	27,246,100 **	2.49
3.	Dr. Lim Kah Yen	18,911,000	1.73	116,338,664 ***	10.64
4.	Lim Kah Yee	5,032,000	0.46	116,338,664 ***	10.64
5.	See Cherng Jye	250,000	0.02	77,727,000 ****	7.11
6.	Yuwang Plantation Sdn. Bhd.	55,000,000	5.03	-	-

Notes:

- * Deemed interested by virtue of the shares held by his spouse and children pursuant to Section 59 of the Companies Act 2016 and his shareholding in Pristine Acres Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- ** Deemed interested by virtue of the shares held by his children pursuant to Section 59 of the Companies Act 2016
- *** Deemed interested by virtue of the shares held by her father pursuant to Section 59 of the Companies Act 2016
- **** Deemed interested by virtue of the shares held by his father pursuant to Section 59 of the Companies Act 2016 and his shareholding in Yuwang Plantation Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS

(Based on Register of Depositors as at 31 March 2026)

No.	Name	No. of Shares Held	Percentage of Shareholdings (%)
1.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENANGA INVESTORS BHD	56,645,220	5.18
2.	YUWANG PLANTATION SDN. BHD.	55,000,000	5.03
3.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEGDED SECURITIES ACCOUNT FOR LIM THIAM HUAT	51,885,264	4.75
4.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEGDED SECURITIES ACCOUNT FOR GAN KONG HIOK	46,739,200	4.27
5.	LEMBAGA KEMAJUAN TANAH PERSEKUTUAN (FELDA)	43,914,101	4.02
6.	RHB BANK BERHAD	37,900,000	3.47
7.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENANGA ISLAMIC INVESTORS BERHAD	36,363,000	3.33
8.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR GAN KONG HIOK (001)	34,325,700	3.14
9.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR LIM THIAM HUAT	29,482,300	2.70
10.	MBSB INVESTMENT NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR GAN KONG HIOK (MGN-GKH0005M)	24,800,000	2.27
11.	SOONG CHEE KEONG	23,400,000	2.14
12.	SEE HONG CHEEN @ SEE HONG CHEN	22,727,000	2.08
13.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (2)	22,291,100	2.04
14.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEGDED SECURITIES ACCOUNT FOR LIM THIAM HUAT (MI0076)	21,946,700	2.01

ANALYSIS OF SHAREHOLDINGS**(Based on Register of Depositors as at 31 March 2026) (CONT'D)**

No.	Name	No. of Shares Held	Percentage of Shareholdings (%)
15.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ESA BIN MOHAMED	20,455,700	1.87
16.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN KONG HIOK	19,979,400	1.83
17.	KOPERASI SAHABAT AMANAH IKHTIAR MALAYSIA (KOOP SAHABAT) BHD	19,085,500	1.75
18.	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR KENANGA INVESTORS BHD (CLIENTS' ACCOUNT)	17,781,158	1.63
19.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LING SIEW LUAN	15,857,959	1.45
20.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR LIM THIAM HUAT (SMART)	15,784,400	1.44
21.	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR KENANGA ISLAMIC ABSOLUTE RETURN FUND	15,000,000	1.37
22.	RHB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HUN SWEE	13,450,000	1.23
23.	KOPERASI NLFCS BERHAD	10,000,000	0.91
24.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT SHARIAH PROGRESS FUND	9,401,700	0.86
25.	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (TMEF)	9,000,000	0.82
26.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KAH YEN	8,819,000	0.81
27.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (MYBK AM SC E)	8,500,000	0.78
28.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PRISTINE ACRES SDN BHD (THIRD PARTY)	8,283,400	0.76
29.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG SIEW CHIN (CEB)	8,250,000	0.75
30.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (ACF-AFFIN-EQ)	7,560,000	0.69

The background features a dark gray to black gradient. A vertical line runs down the center, dividing the space. Overlaid on this are several large, semi-transparent circles of varying shades of gray, creating a layered, geometric effect.

FINANCIAL STATEMENT

Registration No. 200501037512 (719660-W)

NEXTGREEN GLOBAL BERHAD
[Registration No.: 200501037512 (719660-W)]
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2025

Registered office:
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Principal place of business:
Level 06-02, Menara LGB
No. 1, Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur

NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2025

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NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors of Nextgreen Global Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

Principal Activities

The principal activities of the Company are that of investment holding and the provision of management services.

The details of the Company's subsidiary companies are as disclosed in Note 8 to the financial statements.

Financial Results

The results of the Group and of the Company for the financial year are as follows:

	Group RM	Company RM
Profit/(Loss) for the year, net of tax	<u>29,843,717</u>	<u>(10,172,120)</u>
Profit/(Loss) attributable to:		
Owners of the Parent	30,682,646	(10,172,120)
Non-controlling interests	<u>(838,929)</u>	<u>-</u>
	<u>29,843,717</u>	<u>(10,172,120)</u>

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Dividends

There were no dividends proposed, declared or paid by the Company since the end of previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

Issue of Shares and Debentures

During the financial year, the Company issued:

- (a) 5,000,000 new ordinary shares at issue price of RM0.87 per ordinary share for a total cash consideration of RM4,350,000 through private placement;
- (b) 13,545,000 new ordinary shares at issue price of RM0.78 per ordinary share for a total cash consideration of RM10,565,100 through private placement;
- (c) 10,000,000 new ordinary shares at issue price of RM0.80 per ordinary share for a total cash consideration of RM8,000,000 through private placement;
- (d) 1,900,000 new ordinary shares at issue price of RM0.80 per ordinary share for a total cash consideration of RM1,520,000 through private placement.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors

The Directors of the Company in office since the beginning of the current financial year to the date of this report are:

Dato' Lim Thiam Huat *

Dato' Dr. Haji Sohaimi Bin Shahadan *

Dato' Mohd Yusof Bin Din*

Ts. Dr. Lim Kah Yen *

Lim Kah Yee*

Maylee Gan Suat Lee

Teh Chau Chin

Datuk Rawisandran A/L Narayanan

(Appointed on 25 July 2025)

See Cherng Jye

(Appointed on 25 March 2025)

Chan Wan Siew

(Appointed on 23 September 2024,

Deceased on 24 April 2025)

** Director of the Company and of its subsidiary companies*

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) since the beginning of the current financial year to the date of this report are:

Dato' Lee Yeow Chor

Dato' Sri Azizan Bin Ahmad

Lim Kean Kiat

Lim Kean Seang

Tan Chee Tat

Tan Kean Hua

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' Interests in Shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			At 31.12.2025
	At 1.1.2025	Bought	Sold	
Interests in the Company				
Direct interests				
Dato' Lim Thiam Huat	109,338,664	7,000,000	-	116,338,664
Ts. Dr. Lim Kah Yen	18,483,000	428,000	-	18,911,000
Lim Kah Yee	5,032,000	-	-	5,032,000
Dato' Mohd Yusof Bin Din	2,500,000	-	(2,500,000)	-
See Cherng Jye*	-	77,727,000	-	77,727,000
Teh Chau Chin	300,000	-	-	300,000
Maylee Gan Suat Lee	21,709	-	-	21,709
Indirect interests				
Dato' Lim Thiam Huat #	26,818,100	428,000	-	27,246,100
Dr. Lim Kah Yen^	109,338,664	7,000,000	-	116,338,664
Lim Kah Yee ^	109,338,664	7,000,000	-	116,338,664

* Deemed interested by virtue shares held by his father pursuant to Section 59 of the Companies Act 2016 and his shareholding in Yuwang Plantation Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Deemed interested by virtue of the shares held by his children pursuant to Section 59 of the Companies Act 2016.

^ Deemed interested by virtue shares held by her father pursuant to Section 59 of the Companies Act 2016.

By virtue of their interests in the shares of the Company, the Directors are also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016 in Malaysia.

None of the other Directors in office at the end of the financial year had any interest in ordinary shares in the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of, the Company or any other body corporate.

Directors' Remuneration

The detail of Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 are set out below:

	Group RM	Company RM
<u>Executive Directors</u>		
Salaries and other emoluments	1,470,000	742,000
Defined contribution plans	161,130	89,370
Social security contributions	2,958	1,565
	<u>1,634,088</u>	<u>832,935</u>
<u>Non-Executive Directors</u>		
Fees	457,139	457,139
Other emoluments	39,000	39,000
	<u>496,139</u>	<u>496,139</u>
Total Directors' Remuneration	<u>2,130,227</u>	<u>1,329,074</u>

The Executive Director's remuneration does not include the estimated monetary value of benefit-in-kind of the Group and of the Company amounting to RM25,000 (2024: RM24,331).

The Non-Executive Director's remuneration does not include the estimated monetary value of benefit-in-kind of the Group and of the Company amounting to RM7,200 (2024: RM7,200).

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for any Directors, officers or auditors of the Group and of the Company in accordance with Section 289 of the Companies Act 2016.

Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
 - (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
 - (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

Other Statutory Information (Cont'd)

(d) In the opinion of the Directors:

- (i) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due.
- (ii) the results of the operations of the Group and of the Company during the current financial year were not substantially affected by an item, transaction or event of a significant and unusual nature; and
- (iii) there has not arisen in the interval between the end of the current financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 8 to the financial statements.

Significant Events

The significant events are disclosed in Note 39 to the financial statements.

Auditors' Remuneration

The auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 are as follows:

	Group RM	Company RM
Auditors' remuneration		
Statutory audit - UHY Malaysia PLT	432,500	90,000
Non-statutory audit - UHY Malaysia PLT	5,000	5,000
	<u>437,500</u>	<u>95,000</u>

Registration No. 200501037512 (719660-W)

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Auditors

The Auditors, UHY Malaysia PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors,

DATO'LIM THIAM HUAT

TS. DR. LIM KAH YEN

KUALA LUMPUR

30 April 2026

NEXTGREEN GLOBAL BERHAD

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

Pursuant to section 251(2) of the Companies Act 2016

We, Dato Lim Thiam Huat and Ts. Dr. Lim Kah Yen, being two of the Directors of Nextgreen Global Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

DATO' LIM THIAM HUAT

TS. DR. LIM KAH YEN

KUALA LUMPUR

30 April 2026

NEXTGREEN GLOBAL BERHAD

(Incorporated in Malaysia)

STATUTORY DECLARATION

Pursuant to section 251(1)(b) of the Companies Act 2016

I, Wan Noor Azhan Bin Wan Shahrudde (MIA Membership No: 32383), being the Officer primarily responsible for the financial management of Nextgreen Global Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the Federal)
Territory on 30 April 2026)

WAN NOOR AZHAN BIN WAN
SHAHRUDDEN

Before me,

COMMISSIONER FOR OATHS

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NEXTGREEN GLOBAL BERHAD**

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nextgreen Global Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies information, as set out on pages 17 to 142.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for *Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NEXTGREEN GLOBAL BERHAD (CONT'D)**

[Registration No.: 200501037512 (719660-W)]

(Incorporated in Malaysia)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How we addressed the key audit matters
<p>Impairment of trade receivables</p> <p>As at 31 December 2025, the carrying amount of Group's trade receivables amounted to RM90,164,706, representing approximately 12% of the Group's total assets as at 31 December 2025.</p> <p>The nature of the industry exposes the Group to credit risk. The assessment for impairment for trade receivables involves significant management judgement, taking into consideration the age of the trade debts, historical payment patterns, existence of disputes and other available information concerning the recoverability of the receivables. Accordingly, impairment of trade receivables has been identified as a key audit matter.</p>	<p>We obtained an understanding and evaluated the appropriateness of the Group's policy on management of credit risk and its credit exposures.</p> <p>We assessed the reasonableness of the methods and assumptions used by management in estimating the recoverable amount and impairment loss.</p> <p>We tested the accuracy and completeness of the data used by the management.</p> <p>We enquired with management regarding the recoverability of trade receivables that are past due but not impaired.</p> <p>We evaluated subsequent year end receipts and recoverability of outstanding trade receivables.</p>

We have determined that there is no key audit matters in the audit of the financial statements of the Company to be communicated in our Auditors' report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NEXTGREEN GLOBAL BERHAD (CONT'D)**

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

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NEXTGREEN GLOBAL BERHAD (CONT'D)**

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NEXTGREEN GLOBAL BERHAD (CONT'D)**

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

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also: (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NEXTGREEN GLOBAL BERHAD (CONT'D)**

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF1411
Chartered Accountants

TIO SHIN YOUNG
Approved Number: 033555/02/2028 J
Chartered Accountant

KUALA LUMPUR

30 April 2026

NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	220,327,362	187,625,638	16,578,545	17,048,038
Investment properties	5	23,013,579	23,450,750	-	-
Intangible assets	6	500,000	500,000	-	-
Right-of-use assets	7	106,595	982,497	-	-
Investment in subsidiary companies	8	-	-	105,428,882	103,779,384
Investment in associate companies	9	6,665,900	7,890,113	10,289,951	10,289,951
Other investments	10	22,688	22,688	-	-
Other financial asset	11	7,566,495	-	-	-
Inventories	12	253,227,345	147,233,258	-	-
Trade receivables	13	-	-	315,395	-
Other receivables	14	-	-	264,212,291	67,698,946
Deferred tax assets	15	-	912,425	-	-
Goodwill	16	-	-	-	-
		511,429,964	368,617,369	396,825,064	198,816,319
Current Assets					
Inventories	12	90,627,182	94,100,612	-	-
Trade receivables	13	90,164,706	55,818,221	36,147	315,395
Other receivables	14	55,859,292	50,676,228	59,755,334	239,159,507
Tax recoverable		385,609	1,015,356	290,802	42,925
Deposits, cash and bank balances	17	21,880,735	9,108,975	147,816	279,055
		258,917,524	210,719,392	60,230,099	239,796,882
Total Assets		770,347,488	579,336,761	457,055,163	438,613,201

NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025 (CONT'D)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
EQUITY					
Share capital	18	435,661,581	411,488,890	435,661,581	411,488,890
Redeemable convertible preference shares	19	-	-	-	-
Reserves	20	60,775,306	30,755,363	(8,828,350)	1,343,770
Equity attributable to owners of the Parent		496,436,887	442,244,253	426,833,231	412,832,660
Non-controlling interests		828,108	308,844	-	-
Total Equity		497,264,995	442,553,097	426,833,231	412,832,660
LIABILITIES					
Non-Current Liabilities					
Hire purchase liabilities	21	314,143	455,441	-	-
Loans and borrowings	22	138,443,166	58,508,813	11,035,102	11,638,265
Lease liabilities	23	201,692	144,519	-	-
Redeemable convertible preference shares	19	21,750,000	-	-	-
Deferred tax liabilities	15	6,734,309	2,574,026	-	-
		167,443,310	61,682,799	11,035,102	11,638,265
Current Liabilities					
Trade payables	24	30,721,047	35,806,534	-	-
Other payables	25	49,910,354	28,187,818	15,397,993	13,594,988
Contract liabilities	26	1,392,391	-	-	-
Hire purchase liabilities	21	242,994	235,066	-	-
Loans and borrowings	22	12,419,757	9,800,678	581,958	547,288
Lease liabilities	23	174,856	1,070,769	-	-
Provision for taxation		10,777,784	-	3,206,879	-
		105,639,183	75,100,865	19,186,830	14,142,276
Total Liabilities		273,082,493	136,783,664	30,221,932	25,780,541
Total Equity and Liabilities		770,347,488	579,336,761	457,055,163	438,613,201

The accompanying notes form an integral part of the financial statements.

NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	27	90,999,835	67,999,412	36,147	103,020
Cost of sales		(27,102,205)	(31,318,272)	-	-
Gross profit		63,897,630	36,681,140	36,147	103,020
Other income		17,887,267	12,080,840	3,552	83,538
Net gain/(loss) on impairment of financial assets		1,160,796	(2,335,430)	416,736	(416,736)
Other operating expenses		(26,995,224)	(17,135,160)	(6,781,246)	(9,657,840)
Profit/(Loss) from operations		55,950,469	29,291,390	(6,324,811)	(9,888,018)
Finance income		104,079	7,450	-	-
Finance costs		(6,470,979)	(4,975,736)	(889,582)	(1,091,962)
Net finance costs	28	(6,366,900)	(4,968,286)	(889,582)	(1,091,962)
Share of losses on associate, net of tax		(1,272,723)	(1,327,878)	-	-
Profit/(Loss) before tax	29	48,310,846	22,995,226	(7,214,393)	(10,979,980)
Taxation	30	(18,467,129)	66,465	(2,957,727)	-
Net profit/(loss) for the financial year		29,843,717	23,061,691	(10,172,120)	(10,979,980)

NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Other comprehensive (loss)/income, net of tax					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Exchange translation differences for foreign operations		(654,261)	214,176	-	-
Total comprehensive income/(loss) for the financial year		<u>29,189,456</u>	<u>23,275,867</u>	<u>(10,172,120)</u>	<u>(10,979,980)</u>
Profit/(Loss) attributable to:					
Owners of the Parent		30,682,646	23,078,942	(10,172,120)	(10,979,980)
Non-controlling interests		(838,929)	(17,251)	-	-
		<u>29,843,717</u>	<u>23,061,691</u>	<u>(10,172,120)</u>	<u>(10,979,980)</u>
Total comprehensive income/(loss) attributable to:					
Owners of the Parent		30,028,385	23,293,118	(10,172,120)	(10,979,980)
Non-controlling interests		(838,929)	(17,251)	-	-
		<u>29,189,456</u>	<u>23,275,867</u>	<u>(10,172,120)</u>	<u>(10,979,980)</u>
Earnings per share					
Basic earnings					
per share (sen)	31(a)	2.85	2.28		
Diluted earnings					
per share (sen)	31(b)	<u>2.85</u>	<u>2.28</u>		

The accompanying notes form an integral part of the financial statements.

NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the parent							Non-controlling interests	Total equity	
	Non-distributable				Distributable		RM			RM
	Share capital	Redeemable convertible preference shares	Foreign currency translation reserve	Merger reserve	Retained earnings	Total				
RM	RM	RM	RM	RM	RM	RM	RM			
Group										
At 1 January 2025	411,488,890	-	417,296	(16,832,846)	47,170,913	442,244,253	308,844	442,553,097		
Profit for the financial year	-	-	-	-	30,682,646	30,682,646	(838,929)	29,843,717		
Foreign exchange translation	-	-	(654,261)	-	-	(654,261)	-	(654,261)		
Total comprehensive (loss)/income for the financial year	-	-	(654,261)	-	30,682,646	30,028,385	(838,929)	29,189,456		

NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

		Attributable to owners of the parent							
		Non-distributable				Distributable			
	Note	Share capital RM	Redeemable convertible preference shares RM	Foreign currency translation reserve RM	Merger reserve RM	Retained earnings RM	Total RM	Non- controlling interests RM	Total equity RM
Group									
Transactions with owners:									
Issuance of ordinary shares:									
- Private placement	18	24,172,691	-	-	-	-	24,172,691	-	24,172,691
Acquisition of non-controlling interests	8(c)	-	-	-	-	(8,442)	(8,442)	8,393	(49)
Capital contribution by non-controlling interests	8(a),8(c)	-	-	-	-	-	-	1,349,800	1,349,800
		24,172,691	-	-	-	(8,442)	24,164,249	1,358,193	25,522,442
At 31 December 2025		435,661,581	-	(236,965)	(16,832,846)	77,845,117	496,436,887	828,108	497,264,995

NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

	Attributable to owners of the parent							
	Non-distributable				Distributable			
	Share capital RM	Redeemable convertible preference share RM	Foreign currency translation reserve RM	Merger reserve RM	Retained earnings RM	Total RM		
Group								
At 1 January 2024	327,504,130	2,950,000	203,120	(16,832,846)	24,091,971	337,916,375	(24,005)	337,892,370
Profit for the financial year	-	-	-	-	23,078,942	23,078,942	(17,251)	23,061,691
Foreign exchange translation	-	-	214,176	-	-	214,176	-	214,176
Total comprehensive income/(loss) for the financial year	-	-	214,176	-	23,078,942	23,293,118	(17,251)	23,275,867

NEXTGREEN GLOBAL BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

		Attributable to owners of the parent							
		Non-distributable			Distributable				
	Note	Share capital RM	Redeemable convertible preference share RM	Foreign currency translation reserve RM	Merger reserve RM	Retained earnings RM	Total RM	Non- controlling interests RM	Total equity RM
Group									
Transactions with owners:									
Issuance of ordinary shares:									
- Private placement	18	60,384,760	-	-	-	-	60,384,760	-	60,384,760
- Conversion of RCPS	18,19	23,600,000	(2,950,000)	-	-	-	20,650,000	-	20,650,000
Capital contribution by non-controlling interests		-	-	-	-	-	-	350,100	350,100
		83,984,760	(2,950,000)	-	-	-	81,034,760	350,100	81,384,860
At 31 December 2024		411,488,890	-	417,296	(16,832,846)	47,170,913	442,244,253	308,844	442,553,097

NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

		Non-distributable		Distributable	
	Note	Share capital RM	Redeemable convertible preference shares RM	Retained earnings/ (Accumulated loss) RM	Total equity RM
Company					
At 1 January 2025		411,488,890	-	1,343,770	412,832,660
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(10,172,120)	(10,172,120)
Transactions with owners:					
Issuance of ordinary shares:					
- Private placement	18	24,435,100	-	-	24,435,100
- Share issuance expenses	18	(262,409)	-	-	(262,409)
		24,172,691	-	-	24,172,691
At 31 December 2025		435,661,581	-	(8,828,350)	426,833,231

NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

		Non-distributable	Distributable		
	Note	Share capital RM	Redeemable convertible preference shares RM	Retained earnings RM	Total equity RM
Company					
At 1 January 2024		327,504,130	2,950,000	12,323,750	342,777,880
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(10,979,980)	(10,979,980)
Transactions with owners:					
Issuance of ordinary shares:					
- Private placement	18	60,384,760	-	-	60,384,760
- Conversion of RCPS	18,19	23,600,000	(2,950,000)	-	20,650,000
		83,984,760	(2,950,000)	-	81,034,760
At 31 December 2024		411,488,890	-	1,343,770	412,832,660

The accompanying notes form an integral part of the financial statements.

NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cash flows from operating activities				
Profit/(Loss) before tax	48,310,846	22,995,226	(7,214,393)	(10,979,980)
Adjustments for:				
Amortisation of right-of-use assets	911,956	1,064,604	-	-
Depreciation of investment properties	437,171	408,079	-	-
Depreciation of property, plant and equipment	6,443,150	7,067,505	469,493	440,177
Fair value loss on other financial asset	83,505	-	-	-
Finance costs	6,470,979	4,975,736	889,582	1,091,962
Finance income	(104,079)	(7,450)	-	-
Impairment losses on:				
- investment in subsidiary companies	-	-	-	2,852,952
- property, plant and equipment	508,004	-	-	-
- receivables	7,540,735	2,805,129	-	416,736
Share of losses on associate	1,272,723	1,327,878	-	-
Written off of:				
- inventories	12,563	-	-	-
- property, plant and equipment	3,357	-	-	-
- receivables	88,333	1,260,000	-	1,260,000
Balances carried down	71,979,243	41,896,707	(5,855,318)	(4,918,153)

NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities (Cont'd)				
Adjustments for: (Cont'd)				
Balances brought forward	71,979,243	41,896,707	(5,855,318)	(4,918,153)
Gain on disposal of property, plant and equipment	(3,193,977)	(644,706)	-	(79,999)
Reversal of impairment loss on receivables	(8,701,531)	(469,699)	(416,736)	-
Unrealised gain on foreign exchange	(386,770)	-	-	-
Operating profit/(loss) before working capital changes	<u>59,696,965</u>	<u>40,782,302</u>	<u>(6,272,054)</u>	<u>(4,998,152)</u>
Changes in working capital:				
Inventories	(103,187,238)	(55,629,794)	-	-
Contract liabilities	1,392,391	-	-	-
Receivables	(36,720,317)	(11,317,567)	(16,728,583)	(11,471,237)
Payables	16,644,288	10,448,790	941,817	(3,408,995)
	<u>(121,870,876)</u>	<u>(56,498,571)</u>	<u>(15,786,766)</u>	<u>(14,880,232)</u>
Cash used in operations	(62,173,911)	(15,716,269)	(22,058,820)	(19,878,384)
Interest received	104,079	7,450	-	-
Interest paid	(6,470,979)	(4,975,736)	(889,582)	(1,091,962)
Tax refund	3,267	94	1,275	94
Tax paid	(1,990,157)	(2,440,993)	-	-
	<u>(8,353,790)</u>	<u>(7,409,185)</u>	<u>(888,307)</u>	<u>(1,091,868)</u>
Net cash used in operating activities	<u>(70,527,701)</u>	<u>(23,125,454)</u>	<u>(22,947,127)</u>	<u>(20,970,252)</u>

NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cash flows from investing activities				
Acquisition of:				
- property, plant and equipment [Note 4(e)]	(44,571,910)	(48,812,234)	-	(578,118)
- investment in associate companies	(48,510)	-	-	-
- investment properties	-	(6,084,248)	-	-
- non-controlling interests in a subsidiary company	(49)	-	(49)	-
Additional investment in an subsidiary companies	-	-	(1,649,450)	(1,750,548)
Advances to subsidiary companies	-	-	-	(57,296,515)
Proceeds from disposal of property, plant and equipment	8,357,269	1,199,001	-	80,000
Net cash used in investing activities	<u>(36,263,200)</u>	<u>(53,697,481)</u>	<u>(1,649,499)</u>	<u>(59,545,181)</u>

NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from financing activities				
Advances from subsidiary companies	-	-	861,189	50,653
Drawdown of term loan	25,729,985	-	-	-
Proceeds from conversion of RCPS	-	20,650,000	-	20,650,000
Proceeds from issue of RCPS	21,750,000	-	-	-
Proceeds from issue of ordinary shares	24,172,691	60,384,760	24,172,691	60,384,760
Proceeds from issue of shares in subsidiary companies to non-controlling interests	1,349,800	350,100	-	-
Repayments of:				
- hire purchase liabilities	(388,370)	(233,670)	-	-
- lease liabilities	(874,794)	(849,692)	-	-
- term loans	(5,389,505)	(4,183,433)	(568,493)	(517,741)
(Repayment)/Proceeds from bankers acceptance	(454,323)	2,692,803	-	-
Net movement of revolving credit	53,530,044	-	-	-
Net cash from financing activities	<u>119,425,528</u>	<u>78,810,868</u>	<u>24,465,387</u>	<u>80,567,672</u>

NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Net increase/(decrease) in cash and cash equivalents	12,634,627	1,987,933	(131,239)	52,239
Cash and cash equivalents at the beginning of the financial year	7,749,235	5,761,320	279,055	226,816
Exchange translation differences on cash and cash equivalents	(98)	(18)	-	-
Cash and cash equivalents at the end of the financial year	20,383,764	7,749,235	147,816	279,055
Cash and cash equivalents at the end of the financial year comprises:				
Cash and bank balances	7,980,735	9,108,975	147,816	279,055
Bank overdraft	(1,496,971)	(1,359,740)	-	-
Fixed deposit with licensed banks	13,900,000	-	-	-
	20,383,764	7,749,235	147,816	279,055

NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

Cash flows for leases as a lessee

	Group		Company	
	2025	2024	2025	2024
Included in operating activities				
Interest paid in relation to:				
- hire purchase liabilities	33,927	30,691	-	-
- lease liabilities	38,459	71,238	-	-
Included in financing activities				
Repayment of:				
- hire purchase liabilities	388,370	233,670	-	-
- lease liabilities	874,794	849,692	-	-
Total cash flows for leases	<u>1,335,550</u>	<u>1,185,291</u>	<u>-</u>	<u>-</u>

NEXTGREEN GLOBAL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal place of business of the Company is located at Level 06-02, Menara LGB, No. 1, Jalan Wan Kadir, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.

The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The principal activities of the Company are that of investment holding and the provision of management services. The principal activities of its subsidiary companies are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

2. Basis of Preparation

(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 material accounting policies.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the Amendments to *MFRS 121 Lack of Exchangeability* issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year.

The adoption of the amendments to standards 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 standards, amendments to standards and Annual Improvements to MFRS that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurements of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11:		1 January 2026
• Amendments to MFRS 1		
• Amendments to MFRS 7		
• Amendments to MFRS 9		
• Amendments to MFRS 10		
• Amendments to MFRS 107		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency	1 January 2027
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

2. **Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The Group and the Company intend to adopt the above new standards, amendments to standards and Annual Improvements to MFRS, if applicable, when they become effective.

The initial application of the above-mentioned new standards, amendments to standards and Annual Improvements to MFRS are not expected to have any material impact on the financial statements of the Group and of the Company except as disclosed below:

MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 18 will replace MFRS 101 *Presentation of Financial Statements*. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

MFRS 18 additional requirements are as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income

MFRS 18 introduces newly defined “operating profit or loss” and “profit or loss before financing and income tax” subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged. Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

(ii) Statement of Cash Flows

The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from “profit or loss” to “operating profit or loss”. It also provides guidance on classification of interest and dividend in statement of cash flows.

(iii) New disclosures of expenses by nature

Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

2. **Basis of Preparation (Cont'd)**

- (a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

MFRS 18 Presentation and Disclosure in Financial Statements (Cont'd)

MFRS 18 additional requirements are as follows: (Cont'd)

- (iv) Management-defined Performance Measures (MPMs)

The standard requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

- (v) Enhanced Guidance on Aggregation and Disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

The potential impact of the new standard on the financial statements of the Group and of the Company have yet to be assessed.

- (b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

- (c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

Control over Nextgreen Enviro (Sarawak) Sdn. Bhd.

Nextgreen Enviro (Sarawak) Sdn. Bhd. ("NE(S)SB") is a subsidiary company of the Company even though the Company owns less than half of the direct ownership interest in these entities and less than half of their voting power. The Company controls over NE(S)SB, on the basis that the remaining voting rights in the investee are owned by an executive Director of the Company.

2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group includes the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available.

2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment and right-of-use (“ROU”) assets

The Group regularly reviews the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amount at the reporting date for property, plant and equipment and ROU assets are disclosed in Notes 4 and 7.

Impairment of investment in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 8.

2. **Basis of Preparation (Cont'd)**

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Impairment of property, plant and equipment

The Group assesses whether there is any indication that property, plant and equipment are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value in-use. The value in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information. Changes to any of these assumptions would affect the amount of impairment.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 12.

Development costs

The Group capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of development costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generations of the project, discount rates to be applied and the expected period of benefits. The carrying amount at the reporting date for development costs is disclosed in Note 12.

2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods or services are based on invoiced values. Discounts are not considered as they are not only given in rare circumstances.

Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on the physical proportion of contract work-to-date certified by professional consultants. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgments to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

2. **Basis of Preparation (Cont'd)**

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of its receivables, include trade and other receivables, amounts due from subsidiary companies and related companies at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The carrying amounts at the reporting date for trade receivables and other receivables are disclosed in Notes 13 and 14 respectively.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

2. **Basis of Preparation (Cont'd)**

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 15.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises tax liabilities based on estimates of whether additional taxes will be payable. Where the final tax outcome differs from the amounts initially recognised, the resulting differences will be reflected in the income tax and/or deferred tax provisions in the period in which the determination is made.

3. Material Accounting Policies

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the noncontrolling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

3. Material Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(ii) Change in ownership interests in subsidiary without change of control

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

(iii) Change in ownership interests in subsidiary without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses

(iv) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(v) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

3. Material Accounting Policies (Cont'd)

(b) Investment in associate

Associates are entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated and the Company's financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

(c) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

3. **Material Accounting Policies (Cont'd)**

(c) Foreign currency translation (Cont'd)

(b) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, are translated to RM at the rate of exchange prevailing at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

3. **Material Accounting Policies (Cont'd)**

(d) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Property, plant and equipment under construction is not depreciated until it is ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Leasehold building	2%
Freehold building	2%
Factory equipment, plant and machinery	5% - 20%
Renovations	10% - 20%
Office equipment, computers, furniture and fittings	10%
Motor vehicles	20%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

3. **Material Accounting Policies (Cont'd)**

(e) Leases

As lessee

The Group and the Company recognise a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(n)(i) on impairment on non-financial assets.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis of property, plant and equipment as follows:

Leasehold land	over the lease term
Leasehold buildings	2%
Buildings	33% - 50%
Motor vehicles	33% - 50%

The Group's ROU assets consist of leasehold land and buildings and motor vehicles (included in property, plant and equipment) and buildings and motor vehicles (included in ROU assets) are as disclosed in Note 4 and 7, respectively.

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

3. Material Accounting Policies (Cont'd)

(e) Leases (Cont'd)

As lessee (Cont'd)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3. Material Accounting Policies (Cont'd)

(f) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Leasehold land	over the lease term
Leasehold buildings	2%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Investment properties are valued by independent, professionally qualified valuers with appropriate recognised qualifications and recent experience in the relevant locations and property segments. Management reviews and discusses the valuations, including the valuation methodologies and processes applied by the independent valuers, for financial reporting purposes.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Upon disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

3. **Material Accounting Policies (Cont'd)**

(g) Intangible assets

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are amortised based on the estimated useful lives of assets as follows:

Master license	30 months to 15 years
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The master licenses are not amortised until the intended factory or plant for manufacturing of pulps and paper is constructed and commissioned.

(ii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. Material Accounting Policies (Cont'd)

(h) Financial assets

Recognition and initial measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become parties to the contractual provisions of the financial instruments.

On initial recognition, financial assets are measured at fair value, plus except for those measured at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to their acquisition. Transaction costs relating to financial assets classified as FVTPL are recognised in profit or loss as incurred.

Financial asset categories and subsequent measurement

The Group and the Company determine the classification of financial assets at initial recognition. Financial assets are not subsequently reclassified unless there is a change in the business model for managing those assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change.

The business model reflects how the Group and the Company manage their financial assets to generate cash flows, whether through collecting contractual cash flows, selling the financial assets, or a combination of both.

The Group and the Company classify their financial assets as follows:

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The carrying amount is reduced by impairment losses. Interest income, foreign exchange gains or losses, and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(ii) Fair value through other comprehensive income ("FVOCI")

The Group and the Company have not designated any financial assets as FVOCI.

3. Material Accounting Policies (Cont'd)

(h) Financial assets (Cont'd)

The Group and the Company classify their financial assets as follows: (Cont'd)

(iii) Financial assets at fair value through profit or loss ("FVTPL")

All financial assets not classified as measured at amortised cost or FVOCI, as described above are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income are recognised in the profit or loss

All financial assets, except for those measured at FVTPL and equity investments measured at FVOCI, are subject to impairment assessment.

Regular way purchase or sale of financial assets

Regular way purchase or sale are purchase or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchase or sale of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to receive cash flows from the financial asset expired or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial assets and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

3. Material Accounting Policies (Cont'd)

(i) Financial liabilities

Financial liabilities are recognised when, and only when, the Group or the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company classify their financial liabilities at initial recognition, into the following categories:

(i) Financial liabilities at amortised cost

After initial recognition, financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit or loss when the liabilities are derecognised and through the amortisation process.

The Group's and Company's financial liabilities designated at amortised cost comprise trade and other payables, hire purchase liabilities, borrowings and lease liabilities.

(ii) Financial liabilities at fair value through profit or loss ("FVTPL")

The Group and the Company have not designated any financial liabilities at FVTPL.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(j) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3. **Material Accounting Policies (Cont'd)**

(k) Inventories

(i) Property development

Property held for development consists of land held for future development activities where no significant development has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current assets and is stated at lower of cost and net realisable value.

Property held for development are reclassified as current assets when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

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

(ii) Manufacturing and trading

Inventories are stated at the lower of cost and net realisable value.

Cost of raw material comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on first in first out basis. Cost of finished goods and work-in progress consists of direct material, direct labour and an appropriate proportion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3. **Material Accounting Policies (Cont'd)**

(l) Contract liabilities

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(m) Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3. Material Accounting Policies (Cont'd)

(n) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

3. **Material Accounting Policies (Cont'd)**

(n) Impairment of assets (Cont'd)

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposure which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (“a 12-month ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (“a lifetime ECL”).

For trade receivables, other receivables and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3. Material Accounting Policies (Cont'd)

(o) Share capital

(i) Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

(ii) Preference shares

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity. Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

(p) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

3. **Material Accounting Policies (Cont'd)**

(p) **Employee benefits (Cont'd)**

(ii) **Defined contribution plans**

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund (“EPF”). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(iii) **Share-based payment transactions**

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit and loss over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises, the impact of the revision of original estimates, if any, in the profit and loss, with a corresponding adjustment to the equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings or accumulated losses.

3. Material Accounting Policies (Cont'd)

(q) Revenue and other income recognition

(i) Revenue from contracts with customers

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the “control” of the goods or services underlying the particular performance obligation is transferred to the customer. A performance obligation is a promise to transfer a distinct goods or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Company’s customary business practices.

The Group recognises revenue from the following major sources:

(a) Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the period of the contract using the output method to measure the progress towards complete satisfaction of the performance obligations under the construction contract i.e. based on the level of completion of the physical proportion of contract work to date, certified by professional consultants

The Group becomes entitled to invoice customers for construction of promised asset based on achieving a series of performance-related milestones (i.e. progress billing). The Group previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised to date, the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

3. Material Accounting Policies (Cont'd)

(q) Revenue and other income recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group recognises revenue from the following major sources: (Cont'd)

(b) Sales of goods

Sales of goods are recognised upon delivery of products and when the “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

(c) Sales of land

The performance obligation is satisfied upon the control of the land is transferred and delivered to the purchaser.

(d) Rendering of services

Consultancy fee and management fee are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iii) Management fees

Management fees are recognised in the reporting period in which the services are rendered.

3. Material Accounting Policies (Cont'd)

(r) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

When the grant relates to an expense item, it is recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and transferred to profit or loss on a systematic basis over the useful lives of the related asset.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Where the Group receives non-monetary government grants, the asset and the grant are recorded at nominal amount and transferred to profit or loss on a systematic basis over the life of the depreciable asset by way of a reduced depreciation charge.

(s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3. Material Accounting Policies (Cont'd)

(t) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Export allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment makes strategic decisions based on operating segments' results. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

3. Material Accounting Policies (Cont'd)

(v) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(w) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. **Property, Plant and Equipment**

	Leasehold land RM	Leasehold building RM	Freehold building RM	Factory equipment, plant and machinery RM	Renovations RM	Office equipment, computers, furniture and fittings RM	Motor vehicles RM	Plant and equipment under construction RM	Total RM
Group 2025									
At cost									
At 1 January 2025	493,333	75,799,394	16,909,155	67,847,716	1,159,160	11,149,026	2,731,765	48,706,097	224,795,646
Additions	-	-	-	-	25,905	108,956	753,225	43,938,824	44,826,910
Disposals	-	-	-	(21,283,785)	-	-	(80,630)	-	(21,364,415)
Written off	-	-	-	-	-	(6,937)	-	-	(6,937)
At 31 December 2025	<u>493,333</u>	<u>75,799,394</u>	<u>16,909,155</u>	<u>46,563,931</u>	<u>1,185,065</u>	<u>11,251,045</u>	<u>3,404,360</u>	<u>92,644,921</u>	<u>248,251,204</u>
Accumulated depreciation									
At 1 January 2025	29,107	3,764,027	56,364	28,035,960	795,733	3,105,826	1,382,991	-	37,170,008
Charge for the financial year	4,983	1,489,135	338,183	2,937,359	99,876	1,073,455	500,159	-	6,443,150
Disposals	-	-	-	(16,121,081)	-	-	(80,042)	-	(16,201,123)
Written off	-	-	-	-	-	(3,580)	-	-	(3,580)
Exchange differences	-	-	-	7,383	-	-	-	-	7,383
At 31 December 2025	<u>34,090</u>	<u>5,253,162</u>	<u>394,547</u>	<u>14,859,621</u>	<u>895,609</u>	<u>4,175,701</u>	<u>1,803,108</u>	<u>-</u>	<u>27,415,838</u>

4. **Property, Plant and Equipment (Cont'd)**

	Leasehold land RM	Leasehold building RM	Freehold building RM	Factory equipment, plant and machinery RM	Renovations RM	Office equipment, computers, furniture and fittings RM	Motor vehicles RM	Plant and equipment under construction RM	Total RM
Group (Cont'd)									
2025									
Accumulated impairment losses									
At 1 January 2025	-	-	-	-	-	-	-	-	-
Charge for the financial year	-	-	-	508,004	-	-	-	-	508,004
At 31 December 2025	-	-	-	508,004	-	-	-	-	508,004
Carrying amount									
At 31 December 2025	459,243	70,546,232	16,514,608	31,196,306	289,456	7,075,344	1,601,252	92,644,921	220,327,362

4. Property, Plant and Equipment (Cont'd)

	Leasehold land RM	Leasehold building RM	Freehold building RM	Factory equipment, plant and machinery RM	Renovations RM	Office equipment, computers, furniture and fittings RM	Motor vehicles RM	Plant and equipment under construction RM	Total RM
Group									
2024									
At cost									
At 1 January 2024	493,333	68,626,664	16,909,155	75,746,647	723,206	7,220,690	2,899,301	12,064,199	184,683,195
Additions	-	7,172,730	-	60,768	435,954	3,931,996	568,888	36,641,898	48,812,234
Disposals	-	-	-	(7,959,699)	-	(3,660)	(660,553)	-	(8,623,912)
Written off	-	-	-	-	-	-	(75,871)	-	(75,871)
At 31 December 2024	<u>493,333</u>	<u>75,799,394</u>	<u>16,909,155</u>	<u>67,847,716</u>	<u>1,159,160</u>	<u>11,149,026</u>	<u>2,731,765</u>	<u>48,706,097</u>	<u>224,795,646</u>
Accumulated depreciation									
At 1 January 2024	29,107	2,388,170	56,364	31,489,190	378,215	2,191,617	1,711,848	-	38,244,511
Charge for the financial year	-	1,375,857	-	3,949,334	417,518	917,868	406,928	-	7,067,505
Disposals	-	-	-	(7,406,044)	-	(3,659)	(659,914)	-	(8,069,617)
Written off	-	-	-	-	-	-	(75,871)	-	(75,871)
Exchange differences	-	-	-	3,480	-	-	-	-	3,480
At 31 December 2024	<u>29,107</u>	<u>3,764,027</u>	<u>56,364</u>	<u>28,035,960</u>	<u>795,733</u>	<u>3,105,826</u>	<u>1,382,991</u>	<u>-</u>	<u>37,170,008</u>
Carrying amount									
At 31 December 2024	<u>464,226</u>	<u>72,035,367</u>	<u>16,852,791</u>	<u>39,811,756</u>	<u>363,427</u>	<u>8,043,200</u>	<u>1,348,774</u>	<u>48,706,097</u>	<u>187,625,638</u>

4. **Property, Plant and Equipment (Cont'd)**

	Freehold buildings RM	Computers RM	Office equipment RM	Motor vehicles RM	Total RM
Company					
2025					
At cost					
At 1 January 2025/					
31 December 2025	16,909,155	86,022	22,750	568,889	17,586,816
Accumulated depreciation					
At 1 January 2025	394,547	48,508	10,389	85,334	538,778
Charge for the financial year	338,183	15,787	1,745	113,778	469,493
At 31 December 2025	732,730	64,295	12,134	199,112	1,008,271
Carrying amount					
At 31 December 2025	16,176,425	21,727	10,616	369,777	16,578,545
2024					
At cost					
At 1 January 2024	16,909,155	76,792	22,750	433,899	17,442,596
Additions	-	9,230	-	568,888	578,118
Disposal	-	-	-	(433,898)	(433,898)
At 31 December 2024	16,909,155	86,022	22,750	568,889	17,586,816
Accumulated depreciation					
At 1 January 2024	56,364	33,592	8,644	433,898	532,498
Charge for the financial year	338,183	14,916	1,745	85,333	440,177
Disposal	-	-	-	(433,897)	(433,897)
At 31 December 2024	394,547	48,508	10,389	85,334	538,778
Carrying amount					
At 31 December 2024	16,514,608	37,514	12,361	483,555	17,048,038

4. Property, Plant and Equipment (Cont'd)**(a) Assets pledged as securities to financial institutions**

The net carrying amount of property, plant and equipment of the Group and of the Company are pledged as securities for term loans as disclosed in Note 22(a) are:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Leasehold land	459,243	464,226	-	-
Leasehold building	70,546,232	72,035,367	-	-
Freehold building	16,514,608	16,852,791	16,176,425	16,514,608
	<u>87,520,083</u>	<u>89,352,384</u>	<u>16,176,425</u>	<u>16,514,608</u>

(b) Right-of-use assets

Included in the net carrying amount of leasehold land and building and motor vehicles of the Group are right-of-use assets amounted to RM71,005,475 (2024: RM72,499,593) and RM578,263 (2024: RM775,399) respectively.

(c) Assets held under finance leases

Motor vehicles of the Group with net carrying amount of RM578,263 (2024: RM775,399) are acquired under hire purchase arrangements.

(d) Leasehold land

The remaining lease term of leasehold land is 95 years (2024: 96 years).

(e) Acquisition of property, plant and equipment

The aggregate cost for the property, plant and equipment of the Group and of the Company during the financial year under finance lease and cash payments are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Total additions	44,826,910	48,812,234	-	578,118
Less: Hire purchase arrangements	(255,000)	-	-	-
Cash payments	<u>44,571,910</u>	<u>48,812,234</u>	<u>-</u>	<u>578,118</u>

5. Investment Properties

	2025	2024
	RM	RM
Group		
At cost		
At 1 January	26,403,433	20,319,185
Additions	-	6,084,248
At 31 December	<u>26,403,433</u>	<u>26,403,433</u>
Accumulated depreciation		
At 1 January	2,952,683	2,544,604
Charge for the financial year	437,171	408,079
At 31 December	<u>3,389,854</u>	<u>2,952,683</u>
Carrying amount		
At 31 December	<u>23,013,579</u>	<u>23,450,750</u>
At cost		
Included in the above are:		
Leasehold land	9,615,966	9,749,520
Leasehold building	13,397,613	13,701,230
	<u>23,013,579</u>	<u>23,450,750</u>
Fair value of investment properties		
At 31 December	<u>25,630,000</u>	<u>25,630,000</u>
Income recognised in profit or loss:		
Lease income	<u>1,200,000</u>	<u>900,000</u>

(a) Assets pledged as securities to financial institutions

The investment properties of the Group are pledged as securities for term loans as disclosed in Note 22(a).

(b) Leasehold land

The remaining lease term of leasehold land is 73 years (2024: 74 years).

6. Intangible Assets

	Group	
	2025	2024
	RM	RM
At cost		
At 1 January/31 December	<u>1,050,000</u>	<u>1,050,000</u>
Accumulated amortisation		
At 1 January/31 December	<u>550,000</u>	<u>550,000</u>
Carrying amount		
At 31 December	<u>500,000</u>	<u>500,000</u>

The Group has entered into a Master Licence Agreement with Green Patent Technologies Sdn. Bhd. (“GPTSB”), a related party in which a director of the Company has a controlling interest, for a total consideration of RM500,000. Under the agreement, the Group is granted the right to use inventions and designs owned by GPTSB. The licence is intended for use in the Group’s pulp and paper manufacturing operations, primarily by its subsidiary, Nextgreen Pulp & Paper Sdn. Bhd. (“NGPP”). The licence is granted for an initial period of fifteen (15) years, commencing from the date when the specified manufacturing facility as defined in the agreement is constructed and commissioned

7. **Right-of-use Assets**

	Buildings RM	Motor vehicles RM	Total RM
Group			
2025			
At cost			
At 1 January 2025	2,030,709	73,572	2,104,281
Addition	36,054	-	36,054
Expiration of lease contracts	(1,844,201)	(73,572)	(1,917,773)
31 December 2025	<u>222,562</u>	<u>73,572</u>	<u>222,562</u>
Accumulated amortisation			
At 1 January 2025	1,048,212	73,572	1,121,784
Charge for the financial year	911,956	-	911,956
Expiration of lease contracts	(1,844,201)	(73,572)	(1,917,773)
31 December 2025	<u>115,967</u>	<u>-</u>	<u>115,967</u>
Carrying amount			
31 December 2025	<u>106,595</u>	<u>73,572</u>	<u>106,595</u>
2024			
At cost			
At 1 January 2024	824,162	118,845	943,007
Addition	1,474,836	-	1,474,836
Expiration of lease contracts	(268,289)	(45,273)	(313,562)
At 31 December 2024	<u>2,030,709</u>	<u>73,572</u>	<u>2,104,281</u>
Accumulated amortisation			
At 1 January 2024	258,028	112,714	370,742
Charge for the financial year	1,058,473	6,131	1,064,604
Expiration of lease contracts	(268,289)	(45,273)	(313,562)
At 31 December 2024	<u>1,048,212</u>	<u>73,572</u>	<u>1,121,784</u>
Carrying amount			
At 31 December 2024	<u>984,393</u>	<u>45,273</u>	<u>982,497</u>

8. Investment in Subsidiary Companies

	Company	
	2025	2024
	RM	RM
In Malaysia		
Unquoted ordinary shares, at cost	123,295,427	121,645,929
Less: Accumulated impairment losses	<u>(19,675,545)</u>	<u>(19,675,545)</u>
	<u>103,619,882</u>	<u>101,970,384</u>
Outside Malaysia		
Unquoted ordinary shares, at cost	<u>1,809,000</u>	<u>1,809,000</u>
	<u>105,428,882</u>	<u>103,779,384</u>

Movements in the allowance for impairment losses of investment in subsidiary companies are as follows:

	Company	
	2025	2024
	RM	RM
At January	19,675,545	16,822,593
Impairment loss recognised in profit or loss	-	<u>2,852,952</u>
At 31 December	<u>19,675,545</u>	<u>19,675,545</u>

8. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows:

Name of company	Country of incorporation	Effective interest (%)		Principal activities
		2025	2024	
BHS Book Printing Sdn. Bhd.	Malaysia	100	100	Printing of books and magazines
Pustaka Sistem Pelajaran Sdn. Bhd.	Malaysia	100	100	Book publisher
System Multimedia and Internet Sdn. Bhd.	Malaysia	100	100	Dormant
BHS DS Solution Sdn. Bhd.	Malaysia	100	100	Construction and renovation works
Nextgreen Pulp & Paper Sdn. Bhd.	Malaysia	100	100	Processing and manufacturing of pulps and papers and related products
Ultimate Ivory Sdn. Bhd.	Malaysia	100	100	Industrial park developer and manager
BHS Palau Incorporated *	Republic of Palau	100	100	Property development and management
Nextgreen Land Sdn. Bhd.	Malaysia	100	100	Dormant
BHS E Education Sdn. Bhd.	Malaysia	100	100	Dormant

8. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Country of incorporation	Effective interest (%)		Principal activities
		2025	2024	
Nextgreen Fertilizer Sdn. Bhd.	Malaysia	100	100	Manufacture, import, export, and trading fertilizers
Nextgreen Energy Sdn. Bhd.	Malaysia	100	100	Dormant
Nextgreen (Sarawak) Sdn. Bhd.	Malaysia	100	100	Dormant
Nextgreen Agrofeed Sdn. Bhd.	Malaysia	100	100	Manufacture and trade animal feed
Nextgreen Utilities Sdn. Bhd.	Malaysia	100	100	Treatment of waste water
Nextgreen Biomass Sdn. Bhd.	Malaysia	100	100	Import and export empty fruit brunches, oil palm and fonds
Nextgreen Resources Sdn. Bhd.	Malaysia	100	100	Import and export pulp and paper related products
Nextgreen Forest Management Sdn. Bhd.	Malaysia	100	100	Forest restoration or plantation and management
Nextgreen Enviro (Sarawak) Sdn. Bhd. @	Malaysia	30	30	Dormant

8. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Country of incorporation	Effective interest (%)		Principal activities
		2025	2024	
Koyan Agriculture Park Sdn. Bhd.	Malaysia	100	100	Dormant
Nextgreen Pulp Mill Sdn. Bhd.	Malaysia	100	100	Dormant
Nextgreen Packaging (M) Sdn. Bhd.	Malaysia	100	100	Dormant
Nextgreen Carbon Sdn. Bhd.	Malaysia	100	51	Dormant
Nextgreen IOI Pulp Sdn. Bhd.	Malaysia	55	55	Dormant
Held through System Multimedia and Internet Sdn. Bhd.				
System Publishing House Sdn. Bhd.	Malaysia	100	100	Dormant
Held through Nextgreen Biomass Sdn. Bhd.				
GTC Biomass Berhad	Malaysia	65	65	Dormant

8. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Country of incorporation	Effective interest (%)		Principal activities
		2025	2024	
Held through Nextgreen IOI Pulp Sdn. Bhd.				
Neuwhite Pulp Sdn. Bhd.^	Malaysia	100	-	Dormant
Neuwhite Paper Pulp Sdn. Bhd.^	Malaysia	75	-	Dormant

* No statutory audit requirement

@ The Group controls the entity through the remaining 70% equity interests held by an Executive Director of the Company.

^ Newly incorporated, consolidated based on unaudited management account.

8. Investment in Subsidiary Companies (Cont'd)

(a) Incorporation of subsidiary companies

- (i) During the financial year, Nextgreen IOI Pulp Sdn. Bhd. ("NIP"), a 55%-owned subsidiary of the Company, incorporated Neuwhite Pulp Sdn. Bhd. ("NWP") with an initial issued and paid-up share capital of RM1,000 comprising 1,000 ordinary shares. The NIP subscribed for 100% of the ordinary shares in NWP for a total cash consideration of RM1,000. Consequently, NWP became a wholly-owned subsidiary company of NIP.
- (ii) On 29 April 2025, NIP, a 55%-owned subsidiary of the Company, incorporated Neuwhite Paper Pulp Sdn. Bhd. ("NWPP") with an initial issued and paid-up share capital of RM1,000 comprising 1,000 ordinary shares. NIP subscribed for 750 ordinary shares in NWPP for a total cash consideration of RM750. Consequently, NWPP became a 75%-owned subsidiary company of NIP.

The intended principal activities of NWP and NWPP are the manufacturing, import, export and trading of pulp.

In the previous financial year:

On 1 April 2024, the Company incorporated NIP with an initial issued and paid-up share capital of RM1,000 comprising 1,000 ordinary shares. The Company subscribed for 550 ordinary shares in NIP for a total cash consideration of RM550. Consequently, NIP became a 55%-owned subsidiary company of the Company. The intended principal activity of NIP is the manufacturing, import, export and trading of pulp.

(b) Additional investments in subsidiary companies

On 9 July 2025, NIP, a 55%-owned subsidiary company of the Company, increased its issued and paid-up share capital from RM1,000 to RM3,000,000. The Company subscribed for an additional 1,649,450 ordinary shares for a total cash consideration of RM1,649,450. Consequently, NIP remained a 55%-owned subsidiary company of the Company.

In the previous financial year:

On 30 April 2024, Nextgreen Fertilizer Sdn. Bhd. ("NFSB"), a wholly-owned subsidiary company of the Company, increased its issued and paid-up share capital from RM2,500,000 to RM4,000,000. The Company subscribed for an additional 1,500,000 ordinary shares for a total cash consideration of RM1,500,000. Consequently, NFSB remained a wholly-owned subsidiary company of the Company.

8. Investment in Subsidiary Companies (Cont'd)**(b) Additional investments in subsidiary companies (Cont'd)**

On 28 November 2024, Nextgreen Agrofeed Sdn. Bhd. (“NGA”), a wholly-owned subsidiary company of the Company, increased its issued and paid-up share capital from RM2 to RM250,000. The Company subscribed for an additional 249,998 ordinary shares for a total cash consideration of RM249,998. Consequently, NGA remained a wholly-owned subsidiary company of the Company.

On 30 December 2024, GTC Biomass Berhad (“GTCB”), a 65%-owned indirect subsidiary company of the Company, increased its issued and paid-up share capital from RM1,000 to RM1,000,000. Nextgreen Biomass Sdn. Bhd. (“NBSB”), a wholly-owned subsidiary company of the Company, subscribed for an additional 649,350 ordinary shares for a total cash consideration of RM649,350. Consequently, GTCB remained a 65%-owned subsidiary company of the NBSB.

(c) Acquisition of non-controlling interest

On 28 April 2025, the Company acquired 49 ordinary shares in Nextgreen Carbon Sdn. Bhd. (“NGC”) from a non-controlling shareholder for a total consideration of RM49. Consequently, NGC became a wholly-owned subsidiary company of the Company.

The difference arising from increase in stake was as follow:

	RM
Consideration paid for the 49% increase in stake	49
Net assets acquired from non-controlling interest	<u>(8,442)</u>
Difference adjusted to equity	<u><u>(8,393)</u></u>

(d) Material partly owned subsidiary companies

The Group’s subsidiary companies which have non-controlling interests are not material individually to the financial position, financial performance and cash flows of the Group.

There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. Generally, for all subsidiary companies which are not wholly-owned by the Company, non-controlling shareholders hold protective rights restricting the Company’s ability to use the assets of the subsidiary companies and settle the liabilities of the Group, unless approval is obtained from non- controlling shareholders.

9. **Investment in Associate Companies**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
In Malaysia				
Unquoted ordinary shares, at cost	10,338,510	10,290,000	10,290,000	10,290,000
Less: Share of post acquisition accumulated losses	(3,672,610)	(2,399,887)	-	-
Less: Accumulated impairment losses	-	-	(49)	(49)
	6,665,900	7,890,113	10,289,951	10,289,951

Movements in the allowance for impairment losses for investment in associate companies are as follows:

	Company	
	2025 RM	2024 RM
At 1 January/31 December	49	49

Details of the associate companies are as follows:

Name of company	Country of incorporation	Effective interest (%)		Principal activities
		2025	2024	
Direct holding:				
*Nextgreen Crowning Package Pulp Molding Sdn. Bhd. ("NCPM")	Malaysia	49	49	Dormant

* Associate company not audited by UHY Malaysia PLT

9. **Investment in Associate Companies (Cont'd)**

Details of the associate companies are as follows: (Cont'd)

Name of company	Country of incorporation	Effective interest (%)		Principal activities
		2025	2024	
Indirect holding:				
Held through				
Nextgreen Resources Sdn. Bhd.				

^P Teguh Nexgreen

Sdn. Bhd. ("PTEGUH")	Malaysia	49	-	Dormant
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^ Associate company not audited by UHY Malaysia PLT. The consolidation is based on unaudited management account for the financial year ended 31 December 2025 as the Company's financial year end is 30 April.

On 30 July 2025, Nextgreen Resources Sdn. Bhd. ("NRSB"), a wholly-owned subsidiary company of the Company, acquired 49,000 ordinary shares in P Teguh Nextgreen Sdn. Bhd. ("PTEGUH") for a total cash consideration of RM49,000. Consequently, PTEGUH became an associate company of the Group.

The summarised financial information of the Group's material associate company, NCPM is set out below:

(a) Summarised statement of financial position

	NCPM	
	2025 RM	2024 RM
Current assets	4,527,594	7,448,676
Non-current assets	10,200,474	9,835,661
Current liabilities	(263,876)	(173,078)
Non-current liability	(891,446)	(1,008,988)
Net assets	<u>13,572,746</u>	<u>16,102,271</u>
Interests in associated company	49%	49%
Group's share of net assets	<u>6,650,646</u>	<u>7,890,113</u>
Carrying value of Group's interest in associates	<u>6,650,646</u>	<u>7,890,113</u>

9. Investment in an Associate Company (Cont'd)

The summarised financial information of the Group's material associate company, NCPM is set out below: (Cont'd)

(b) Summarised statement of profit or loss and other comprehensive income

	NCPM	
	2025	2024
	RM	RM
Loss for the financial year, representing total comprehensive loss for the financial year	<u>2,529,525</u>	<u>2,709,954</u>

Aggregate information of associate company that is individually immaterial:

	2025
	RM
The Group's share of loss from immaterial associate company	<u>33,256</u>
Carrying amount of the Group's interests in these associate company	<u>15,254</u>

10. **Other Investments**

	Group	
	2025	2024
	RM	RM
Current		
Quoted shares in Malaysia		
Equity instruments at fair value through profit or loss	22,688	22,688

11. **Other Financial Asset**

	Group
	2025
	RM
Financial asset at fair value through profit or loss	
Keyman insurance	
At 1 January	-
Addition	7,650,000
Change in fair value recognised in profit or loss	(83,505)
At 31 December	7,566,495

Other financial asset represents keyman insurance policy (the “Policy”) taken up to insure an Executive Director of the Company (the “Insured Person”). For any insured events happened to the Insured Person, the insured sum will be payable to the Company. The Policy can be withdrawn at any time with surrender changes if such withdrawal occurs before the maturity date of the Policy and a cash refund will be based on the cash surrender value of the Policy at the date of withdrawal.

12. Inventories

		Group	
	Note	2025 RM	2024 RM
Non-current			
Land held for property development		47,180,189	12,244,189
Property development costs		206,047,156	134,989,069
		<u>253,227,345</u>	<u>147,233,258</u>
Current			
Land held for property development		1,998,913	1,998,913
Property development costs		71,813,809	85,995,859
Raw materials		12,932,206	1,131,425
Work in progress		-	4,008,026
Trading merchandise		-	18,932
Finished goods		3,882,254	947,457
		<u>90,627,182</u>	<u>94,100,612</u>
		<u>343,854,527</u>	<u>241,333,870</u>
Additions of staff costs during the financial year included in property development costs	32	<u>979,433</u>	<u>1,601,104</u>
Recognised in profit or loss:			
- Inventories recognised as cost of sales		16,814,460	7,772,404
- Inventories written off		12,563	-
		<u>16,827,023</u>	<u>7,772,404</u>

13. Trade Receivables

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-Current				
Amount due from subsidiary companies	-	-	315,395	-
Current				
Amount due from subsidiary companies	-	-	36,147	-
Trade receivables	103,630,684	70,001,647	-	315,395
Less: Accumulated impairment losses	(13,465,978)	(14,183,426)	-	-
	<u>90,164,706</u>	<u>55,818,221</u>	<u>36,147</u>	<u>315,395</u>
	<u>90,164,706</u>	<u>55,818,221</u>	<u>351,542</u>	<u>315,395</u>

The Group and the Company's normal trade credit terms range from 30 to 180 days (2024: 30 to 180 days). Other credit terms are determined on a case to case basis. Trade receivables are not secured by any collateral or credit enhancements.

Movements in the allowance for impairment losses are as follows:

	Lifetime allowance RM	Credit impaired RM	Loss allowance RM
Group			
2025			
At 1 January	1,947,012	12,236,414	14,183,426
Impairment losses recognised	3,000,000	4,340,650	7,340,650
Reversal of impairment losses	(4,722,603)	(3,335,495)	(8,058,098)
At 31 December	<u>224,409</u>	<u>13,241,569</u>	<u>13,465,978</u>

13. Trade Receivables (Cont'd)

Movements in the allowance for impairment losses are as follows: (Cont'd)

	Lifetime allowance RM	Credit impaired RM	Loss allowance RM
Group			
2024			
At 1 January	903,065	12,138,594	13,041,659
Impairment losses recognised	1,510,256	97,820	1,608,076
Reversal of impairment losses	(466,309)	-	(466,309)
At 31 December	1,947,012	12,236,414	14,183,426

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly. Reversal of impairment loss on trade receivables was mainly due to collection from receivables previously provided for doubtful debts.

The ageing analysis of the trade receivables at the end of the reporting period are as follows:

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
2025			
Neither past due nor impaired	68,312,294	-	68,312,294
Past due not impaired:			
Less than 30 days	4,708,791	(11,759)	4,697,032
More than 120 days	17,368,030	(212,650)	17,155,380
	22,076,821	(224,409)	21,852,412
Credit impaired:			
61 to 90 days	62,655	(62,655)	-
More than 120 days	13,178,914	(13,178,914)	-
	13,241,569	(13,241,569)	-
	103,630,684	(13,465,978)	90,164,706

13. Trade Receivables (Cont'd)

The ageing analysis of the trade receivables at the end of the reporting period are as follows:(Cont'd)

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
2024			
Neither past due nor impaired	15,197,938	(1,314,838)	13,883,100
Past due not impaired:			
Less than 30 days	20,571,198	(148,205)	20,422,993
31 to 60 days	5,809,399	(65,106)	5,744,293
61 to 90 days	10,125,761	(166,916)	9,958,845
91 to 120 days	2,371,191	(66,069)	2,305,122
More than 120 days	3,689,746	(185,878)	3,503,868
	42,567,295	(632,174)	41,935,121
Credit impaired:			
More than 120 days	12,236,414	(12,236,414)	-
	<u>70,001,647</u>	<u>(14,183,426)</u>	<u>55,818,221</u>
Company			
2025			
Past due not impaired:			
More than 120 days	351,542	-	351,542
	<u>351,542</u>	<u>-</u>	<u>351,542</u>

13. Trade Receivables (Cont'd)

The ageing analysis of the trade receivables at the end of the reporting period are as follows:(Cont'd)

	Gross amount RM	Loss allowance RM	Net amount RM
Company			
2024			
Neither past due nor impaired	6,670	-	6,670
Past due not impaired:			
Less than 30 days	1,161	-	1,161
31 to 60 days	1,744	-	1,744
61 to 90 days	26,278	-	26,278
91 to 120 days	13,586	-	13,586
More than 120 days	265,956	-	265,956
	308,725	-	308,725
	315,395	-	315,395

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group and the Company.

As at 31 December 2025, trade receivables of the Group and of the Company are RM22,076,821 (2024: RM42,567,295) and RM351,542 (2024: RM308,725) were past due but not individually impaired. These relate to a number of independent customers for whom there is no history of default but slower repayment records.

The trade receivables of the Group and of the Company that are individually assessed to be impaired amounting to RM13,241,569 and RMNil (2024: RM12,236,414 and RMNil) related to customers that are in financial difficulties and have defaulted on payments. These balances are expected to be recovered through the debts recovery process.

14. **Other Receivables**

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Non-Current					
Amount due from subsidiary companies	(a)	-	-	264,212,291	67,698,946
Current					
Amount due from subsidiary companies	(a)	-	-	50,940,602	228,859,263
Amount due from related parties	(b)	110,880	91,830	-	-
Other receivables		23,146,122	17,487,299	-	2,115,736
Deposits		24,195,646	21,655,412	11,015,500	11,000,000
Prepayments		10,334,507	13,812,898	603,318	405,330
		<u>57,787,155</u>	<u>53,047,439</u>	<u>62,559,420</u>	<u>242,380,329</u>
Less: Accumulated impairment losses		<u>(1,927,863)</u>	<u>(2,371,211)</u>	<u>(2,804,086)</u>	<u>(3,220,822)</u>
		<u>55,859,292</u>	<u>50,676,228</u>	<u>59,755,334</u>	<u>239,159,507</u>
		<u>55,859,292</u>	<u>50,676,228</u>	<u>323,967,625</u>	<u>306,858,453</u>

- (a) Amount due from subsidiary companies are non-interest bearing, unsecured and repayable on demand.

Amount due from subsidiary companies with the gross amount of RM264,212,291 (2024: RM67,698,946) have been presented under non-current as these advances are not expected to be realised within twelve months after the reporting date.

- (b) Amount due from related party are non-interest bearing, unsecured and repayable on demand.

14. Other Receivables (Cont'd)

Movements in the allowance for impairment losses of other receivables and deposits are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
At 1 January	2,371,211	1,177,548	3,220,822	2,804,086
Impairment losses recognised	200,085	1,197,053	-	416,736
Reversal of Impairment loss	(643,433)	(3,390)	(416,736)	-
At 31 December	<u>1,927,863</u>	<u>2,371,211</u>	<u>2,804,086</u>	<u>3,220,822</u>

15. Deferred Tax (Assets)/Liabilities

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
At 1 January	1,661,601	771,706	-	-
Recognised in profit or loss	3,174,774	2,415,539	-	-
Over provision in prior years	1,897,934	(1,525,644)	-	-
At 31 December	<u>6,734,309</u>	<u>1,661,601</u>	<u>-</u>	<u>-</u>

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Deferred tax assets	-	(912,425)	-	-
Deferred tax liabilities	6,734,309	2,574,026	-	-
	<u>6,734,309</u>	<u>1,661,601</u>	<u>-</u>	<u>-</u>

15. Deferred Tax (Assets)/Liabilities (Cont'd)

The components and movements of deferred tax assets and liabilities are as follows:

	Unutilised tax losses and capital allowances RM
Group	
Deferred tax assets	
At 1 January 2025	(5,111,980)
Recognised in profit or loss	3,529,456
Over provision in prior years	562,789
At 31 December 2025 (Before Offsetting)	(1,019,735)
Offsetting	1,019,735
At 31 December 2025 (After Offsetting)	-
At 1 January 2024	(7,811,973)
Recognised in profit or loss	2,246,487
Over provision in prior years	453,506
At 31 December 2024 (Before Offsetting)	(5,111,980)
Offsetting	4,199,555
At 31 December 2024 (After Offsetting)	(912,425)
 Accelerated capital allowances RM	
Deferred Tax Liabilities	
At 1 January 2025	6,773,581
Recognised in profit or loss	(354,682)
Under provision in prior years	1,335,145
At 31 December 2025 (Before Offsetting)	7,754,044
Offsetting	(1,019,735)
At 31 December 2025 (After Offsetting)	6,734,309
At 1 January 2024	8,583,679
Recognised in profit or loss	169,052
Over provision in prior years	(1,979,150)
At 31 December 2024 (Before Offsetting)	6,773,581
Offsetting	(4,199,555)
At 31 December 2024 (After Offsetting)	2,574,026

15. Deferred Tax (Assets)/Liabilities (Cont'd)

The components and movements of deferred tax assets and liabilities are as follows:
(Cont'd)

	Unutilised tax losses and capital allowances RM
Company	
Deferred tax assets	
At 1 January 2025	(41,689)
Recognised in profit or loss	911
Over provision in prior years	39,502
At 31 December 2025 (Before Offsetting)	(1,276)
Offsetting	1,276
At 31 December 2025 (After Offsetting)	-
At 1 January 2024	(7,738)
Recognised in profit or loss	(33,821)
Under provision in prior years	(130)
At 31 December 2024 (Before Offsetting)	(41,689)
Offsetting	41,689
At 31 December 2024 (After Offsetting)	-
Accelerated capital allowances RM	
Deferred Tax Liabilities	
At 1 January 2025	41,689
Recognised in profit or loss	(911)
Over provision in prior years	(39,502)
At 31 December 2025 (Before Offsetting)	1,276
Offsetting	(1,276)
At 31 December 2025 (After Offsetting)	-
At 1 January 2024	7,738
Recognised in profit or loss	33,821
Under provision in prior years	130
At 31 December 2024 (Before Offsetting)	41,689
Offsetting	(41,689)
At 31 December 2024 (After Offsetting)	-

15. Deferred Tax (Assets)/Liabilities (Cont'd)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Unutilised capital allowances	403,127	1,851,063	166,870	140,052
Unutilised tax losses	36,042,763	32,815,973	21,519,316	18,733,095
Unutilised export allowances	-	1,755,372	-	-
Others	1,874,591	3,160,555	-	-
	<u>38,320,481</u>	<u>39,582,963</u>	<u>21,686,186</u>	<u>18,873,147</u>

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits therefrom.

The unutilised capital allowances of the Group and of the Company are available indefinitely for offsetting against future taxable profits of the Group and of the Company, subjects to no substantial changes in shareholdings of the Group entities under the Income Tax Act 1967 and guidelines issued by the tax authority.

Pursuant to an amendment to Section 44(5F) of the Income Tax Act 1967, effective from year of assessment 2019 onwards, the unused tax losses can be carried forward for a maximum period of ten consecutive years of assessment. The unused tax losses accumulated up to year of assessment 2018 can be carried forward for another ten consecutive years of assessment until year of assessment 2028.

16. **Goodwill**

	Group	
	2025	2024
	RM	RM
At cost		
At 1 January	23,838	23,838
Accumulated impairment losses		
At 1 January	23,838	23,838
Carrying amount		
At 31 December	-	-

17. **Deposits, Cash and Bank Balances**

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Cash and bank balances	7,980,735	9,108,975	147,816	279,055
Fixed deposit with licensed banks	13,900,000	-	-	-
	21,880,735	9,108,975	147,816	279,055

The weighted average effective interest rates of fixed deposits with licensed banks during the financial year are 2.5% per annum and the maturities of deposits are overnight.

18. Share Capital

	Group/Company			
	Number of ordinary shares		Amount	
	2025	2024	2025	2024
	Units	Units	RM	RM
Issued and fully paid-up share capital with no par value				
At 1 January	1,062,960,718	936,733,718	411,488,890	327,504,130
Issuance of shares:				
- Private placement	30,445,000	67,227,000	24,435,100	60,384,760
- Share issuance expenses	-	-	(262,409)	-
- Conversion of RCPS	-	59,000,000	-	23,600,000
	<u>30,445,000</u>	<u>126,227,000</u>	<u>24,172,691</u>	<u>83,984,760</u>
At 31 December	<u>1,093,405,718</u>	<u>1,062,960,718</u>	<u>435,661,581</u>	<u>411,488,890</u>

During the financial year, the Company issued:

- (a) 5,000,000 new ordinary shares at issue price of RM0.87 per ordinary share for a total cash consideration of RM4,350,000 through private placement;
- (b) 13,545,000 new ordinary shares at issue price of RM0.78 per ordinary share for a total cash consideration of RM10,565,100 through private placement;
- (c) 10,000,000 new ordinary shares at issue price of RM0.80 per ordinary share for a total cash consideration of RM8,000,000 through private placement;
- (d) 1,900,000 new ordinary shares at issue price of RM0.80 per ordinary share for a total cash consideration of RM1,520,000 through private placement.

The new ordinary shares issued ranked pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

19. **Redeemable Convertible Preference Shares (“RCPS”)**

	Group/Company			
	Number of RCPS		Amount	
	2025 Units	2024 Units	2025 RM	2024 RM
Equity instruments				
Redeemable convertible preference shares 2021 (“RCPS 2021”)				
At 1 January	-	59,000,000	-	2,950,000
Redemption of RCPS	-	(59,000,000)	-	(2,950,000)
At 31 December	-	-	-	-

	Group			
	Number of RCPS		Amount	
	2025 Units	2024 Units	2025 RM	2024 RM
Debt instruments				
Redeemable convertible preference shares 2025 (“RCPS 2025”)				
At 1 January	-	-	-	-
Issuance of RCPS	21,750,000	-	21,750,000	-
At 31 December	21,750,000	-	21,750,000	-

Redeemable Convertible Preference Shares 2025 (“RCPS 2025”)

The details of the RCPS 2025 are disclosed in Note 39(a).

The salient terms of the RCPS 2025 are as follows:

(a) **Dividend Rights**

Each RCPS shall confer on the holder thereof the right to receive, in priority to any payment to the holders of any other class of shares in the capital of NIP, out of the profits of NIP each year available for dividend and resolved to be distributed in respect of any period for which NIP’s financial statements are made up, a non-cumulative preferential dividend at a rate to be determined by the director of NIP on the capital paid up or credited as paid up thereon.

19. **Redeemable Convertible Preference Shares (“RCPS”) (Cont’d)**

Redeemable Convertible Preference Shares 2025 (“RCPS 2025”) (Cont’d)

The salient terms of the RCPS 2025 are as follows: (Cont’d)

(b) Redemption Rights (Cont’d)

- (i) Subject to the provisions of the Act, each RCPS shall be redeemable at the option of the RCPS holder at the redemption price of RM1.00 per RCPS; and
- (ii) Redemption of RCPS may only be effected out of:
 - profits available for distribution;
 - the proceeds of a fresh issue of ordinary shares or RCPS made for the purpose of the redemption; or
 - the capital of NIP, provided that a solvency statement is made by all the directors of NIP and duly lodged in accordance with the Act.

Upon redemption, the redemption amount shall be payable together with all dividends accrued but remaining unpaid up to (and including) the redemption date.

(b) Conversion Rights

- (i) Each RCPS shall be convertible into ordinary shares of NIP only upon the exercise of the put and/or call option by either IOI Paper or the Company in accordance with the terms of such options pursuant to the option agreement to be entered into between the Company and IOI Paper in respect of the RCPS;
- (ii) The conversion ratio shall be one (1) RCPS for one (1) ordinary share, at the conversion price of RM1.00 per ordinary share; and
- (iii) The conversion may be exercised at any time from the date of issuance of the RCPS.

In the event the put or call option is not exercised in full after twelve (12) months from the commencement of the exercisable period (or within such extended period as may be mutually agreed in writing between IOI Paper and the Company) (“Long Stop Date”), the RCPS holder shall have the right, but not the obligation, to convert all or any part of its RCPS into ordinary shares of NIP at the conversion rate to be effected at 5% discount to the prevailing conversion price of the ordinary share.

Such conversion shall be effected by the RCPS holder delivering a written notice of conversion to NIP within thirty (30) days from the Long Stop Date, in accordance with the terms of the option agreement to be entered into between the Company and IOI Paper in respect of the RCPS.

19. Redeemable Convertible Preference Shares (“RCPS”) (Cont’d)

Redeemable Convertible Preference Shares 2025 (“RCPS 2025”) (Cont’d)

The salient terms of the RCPS 2025 are as follows: (Cont’d)

(c) Voting Rights

Holders of the RCPS shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited financial statements and attending general meetings of NIP, provided always that no voting rights shall attach to any of the RCPS and holders of the RCPS shall not have the right to propose or decide any resolutions at any general meeting of NIP except on each of the following circumstances:

- (i) during such period as the preferential dividend or any part thereof remains in arrears and unpaid for a period of six (6) months;
- (ii) upon any resolution which varies the rights and privileges attached to such RCPS;
- (iii) upon any resolution for the disposal of any substantial undertaking or property of NIP; or
- (iv) upon any resolution for the winding up of NIP.

(d) Priority and Ranking

RCPS shall rank in priority to the ordinary shares of NIP in respect of dividend entitlements and repayment of capital.

(e) Preference on Winding Up or Disposal

In the event of any winding up of NIP, or any sale, merger or consolidation involving NIP, the holders of RCPS shall, in priority to the holders of the ordinary shares, be entitled to receive the following amounts:

- (i) the redemption amount;
- (ii) any accrued but unpaid dividends; and
- (iii) any other preferential entitlement expressly provided in the constitution of NIP.

19. **Redeemable Convertible Preference Shares (“RCPS”) (Cont’d)**

Redeemable Convertible Preference Shares 2025 (“RCPS 2025”) (Cont’d)

The salient terms of the RCPS 2025 are as follows: (Cont’d)

(f) Transferability

Notwithstanding anything to the contrary expressed or implied in the constitution of NIP, there shall be no restriction on the transfer of RCPS and the directors of NIP shall be obliged to register any transfer of any RCPS.

(g) Variation of Rights

Any variation of the rights, privileges or restrictions attached to the RCPS shall require the prior approval of the holders of the RCPS by way of a special resolution passed at a separate class meeting of the RCPS holders.

(h) Tenure

The RCPS does not have a fixed tenure and shall remain existing unless and until conversion/redemption.

In the previous financial year

Redeemable Convertible Preference Shares 2021 (“RCPS 2021”)

The salient terms of the RCPS 2021 are as follows:

- (a) The Issue Price and Conversion Price of the RCPS are RM0.05 each and RM0.40 each respectively,
- (b) The RCPS holders shall not be entitled to any dividends,
- (c) The RCPS shall be convertible, at the option of the RCPS holders, at any time commencing from the Issue Date up to the relevant redemption date of the RCPS, into Conversion Share at the Conversion Price in the following manner:
 - (i) by surrendering for conversion, such number of RCPS with an aggregate Issue Price equivalent to the aggregate Conversion Price; or
 - (ii) by paying the difference between the Issue Price for every 1 RCPS surrendered for conversion and the Conversion Price, in cash for every 1 Conversion Share.

19. Redeemable Convertible Preference Shares (“RCPS”) (Cont’d)

In the previous financial year (Cont’d)

Redeemable Convertible Preference Shares 2021 (“RCPS 2021”) (Cont’d)

The salient terms of the RCPS 2021 are as follows: (Cont’d)

- (d) Subject to the provisions of the Companies Act 2016 and any other applicable legislation, the Company may at any time on or before the business day of 3rd anniversary of the RCPS Issue Date, redeem the RCPS in part on a pro-rata basis or in its entirety by giving notice in writing not less than 30 days prior to the redemption date to the holders of RCPS of its intention to do so,
- (e) An RCPS does not carry any right to vote at any general meeting of the Company except for the right to vote in person or by proxy or by attorney at such meeting. Where the holders of RCPS are entitled to vote at any general meeting, every RCPS shall on a poll, carry one for each ordinary share into the RCPS are convertible upon exercise of the Conversion Rights (at the Conversion Ratio) and every ordinary share shall, notwithstanding any other provision of the Constitution of the Company, carry one vote for each such share; and
- (f) The holders of RCPS shall have the right to receive notices, reports and accounts and attend meetings, of which shareholders of the ordinary shares are entitled.

A total of 59,000,000 RCPS were converted into 59,000,000 new ordinary shares at a conversion price of RM0.40 per ordinary share. Each RCPS holder surrendered one (1) RCPS and paid a cash consideration of RM0.35 per share. The balance of RM0.05 per share was treated as equity contribution. Following the conversion, there are no RCPS outstanding as at 31 December 2024.

20. Reserves

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Distributable:					
Retained earning/ (Accumulated loss)		77,845,117	47,170,913	(8,828,350)	1,343,770
Non-distributable:					
Foreign currency translation reserve	(a)	(236,965)	417,296	-	-
Merger reserve	(b)	(16,832,846)	(16,832,846)	-	-
		<u>(17,069,811)</u>	<u>(16,415,550)</u>	<u>-</u>	<u>-</u>
		<u>60,775,306</u>	<u>30,755,363</u>	<u>(8,828,350)</u>	<u>1,343,770</u>

(a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) Merger reserve

Merger reserve represents the difference between the nominal value of shares issued by the Company over the nominal value of shares acquired in exchange for those shares, accounted for using the merger method of accounting.

21. Hire Purchase Liabilities

	Group	
	2025	2024
	RM	RM
Minimum hire purchase repayments:		
Within 1 year	264,496	259,260
Later than 1 year but not later than 2 years	231,066	259,205
Later than 2 years but not later than 5 years	106,582	233,171
	<u>602,144</u>	<u>751,636</u>
Less: Future finance charges	(45,007)	(61,129)
	<u>557,137</u>	<u>690,507</u>
Present value of minimum hire purchase repayments		
Within 1 year	242,994	235,066
Later than 1 year but not later than 2 years	212,371	241,473
Later than 2 years but not later than 5 years	101,772	213,968
	<u>557,137</u>	<u>690,507</u>
Analysed by:		
Non-current	314,143	455,441
Current	242,994	235,066
	<u>557,137</u>	<u>690,507</u>

22. Loans and Borrowings

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Secured				
Non-current				
Term loans	75,913,122	58,508,813	11,035,102	11,638,265
Revolving credit	62,530,044	-	-	-
	<u>138,443,166</u>	<u>58,508,813</u>	<u>11,035,102</u>	<u>11,638,265</u>
Current				
Term loans	7,824,940	4,888,769	581,958	547,288
Bank overdraft	1,496,971	1,359,740	-	-
Bankers acceptance	3,097,846	3,552,169	-	-
	<u>12,419,757</u>	<u>9,800,678</u>	<u>581,958</u>	<u>547,288</u>
	<u>150,862,923</u>	<u>68,309,491</u>	<u>11,617,060</u>	<u>12,185,553</u>

The weighted average effective interest rates per annum are as follows:

	Group		Company	
	2025	2024	2025	2024
	%	%	%	%
Term loans	7.14	6.67	5.52	5.91
Bank overdraft	8.31	8.56	-	-
Bankers acceptance	3.62	4.10	-	-
Revolving credit	13.38	-	-	-

The above credit facilities of the Group and of the Company obtained from the licensed banks are secured by the followings:

- (a) a registered open all monies first party charge stamped nominally over the leasehold land and building as disclosed in Notes 4(a) and 5(a);
- (b) corporate guarantee given by the Company; and
- (c) joint and several personal guarantee by certain Directors of the Company.

23. Lease Liabilities

	Group	
	2025	2024
	RM	RM
At 1 January	1,215,288	590,144
Additions	36,054	1,474,836
Payments	(874,794)	(849,692)
At 31 December	<u>376,548</u>	<u>1,215,288</u>
Presented as:		
Non-current	201,692	144,519
Current	174,856	1,070,769
	<u>376,548</u>	<u>1,215,288</u>

	Group	
	2025	2024
	RM	RM
The maturity analysis of lease liabilities of the Group and Company at the end of the reporting period		
Within one year	361,461	1,108,811
Later than one year and not later than two years	81,000	18,500
Later than two years and not later than five years	30,000	30,000
More than five years	196,667	206,667
	<u>669,128</u>	<u>1,363,978</u>
Less: Future finance charges	(292,580)	(148,690)
Present value of lease liabilities	<u>376,548</u>	<u>1,215,288</u>

The Group leases buildings and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

At the reporting date, the incremental borrowing rate applied to lease liabilities weighted average effective interest rate per annum are as 4.68 % (2024: 6.10%).

24. Trade Payables

The normal trade credit terms granted to the Group range from 30 to 120 days (2024: 30 to 120 days).

25. Other Payables

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Amount due to subsidiary companies	(a)	-	-	4,219,987	3,358,798
Amount due to Directors	(b)	93,748	357,182	-	-
Amount due to shareholders	(c)	7,250,000	-	-	-
Deferred income	(d)	726,000	847,000	-	-
Deposits received		12,217	7,816,000	-	-
Other payables		22,781,805	13,255,081	10,964,240	10,033,012
Accruals		19,046,584	5,912,555	213,766	203,178
		<u>49,910,354</u>	<u>28,187,818</u>	<u>15,397,993</u>	<u>13,594,988</u>

- (a) Amount due to subsidiary companies are non-interest bearing, unsecured and repayable on demand.
- (b) Amount due to Directors are non-interest bearing, unsecured and repayable on demand.
- (c) Amount due to a shareholder of the a subsidiary company are non-interest bearing, unsecured and repayable on demand.
- (d) The subsidiary company of the Company had received a conditional government grant for the purpose of developing sustainable food packaging material from oil palm empty fruit bunch (“EFB”) cellulosic fibre extracted using hybrid chemical-mechanical-thermal process.

26. Contract Liabilities

	Group	
	2025	2024
	RM	RM
Contract liabilities from construction contracts		
At 1 January	-	-
Contract costs incurred to date	505,766	-
Attributable profits	<u>1,260,293</u>	<u>1,240,980</u>
	1,766,059	1,240,980
Less: Progress billings	<u>(3,158,450)</u>	<u>(1,240,980)</u>
At 31 December	<u>(1,392,391)</u>	<u>-</u>

The contract liabilities primarily relate to the advance consideration received from customer for construction contract which revenue is recognised over time during the construction activities.

Contract value yet to be recognised as revenue

The followings table shows the revenue expected to be recognised in the future relating to performance obligations that were unsatisfied (or partially satisfied) at the reporting date:

	2026	2027	Total
	RM	RM	RM
Construction contracts	<u>30,640,000</u>	<u>28,047,770</u>	<u>58,687,770</u>

27. **Revenue**

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Revenue from contracts with customers:				
- Management fee	-	-	36,147	103,020
- Printing services	1,930,056	6,498,331	-	-
- Sales of books	65,613	989,829	-	-
- Sales of goods	85,845,716	59,270,271	-	-
- Construction contract revenue	3,158,450	1,240,981	-	-
	<u>90,999,835</u>	<u>67,999,412</u>	<u>36,147</u>	<u>103,020</u>
Timing of revenue recognition				
At a point in time	87,841,385	66,758,431	-	-
Over time	<u>3,158,450</u>	<u>1,240,981</u>	<u>36,147</u>	<u>103,020</u>
Total revenue from contracts with customers	<u>90,999,835</u>	<u>67,999,412</u>	<u>36,147</u>	<u>103,020</u>

27. Revenue (Cont'd)

Disaggregation of the Group's revenue from contracts with customers:

	Printing and publishing RM	Manufacturing RM	Property and construction RM	Total RM
2025				
Revenue from contracts with customers:				
- Printing services	1,930,056	-	-	1,930,056
- Sales of books	65,613	-	-	65,613
- Sales of goods	-	85,845,716	-	85,845,716
- Construction contract revenue	-	-	3,158,450	3,158,450
	<u>1,995,669</u>	<u>85,845,716</u>	<u>3,158,450</u>	<u>90,999,835</u>
Timing of revenue recognition				
At a point in time	1,995,669	85,845,716	-	87,841,385
Over time	-	-	3,158,450	3,158,450
Total revenue from contracts with customers	<u>1,995,669</u>	<u>85,845,716</u>	<u>3,158,450</u>	<u>90,999,835</u>
Geographical market				
Malaysia	1,964,770	85,277,555	3,158,450	90,400,775
China	-	568,161	-	568,161
France	30,899	-	-	30,899
	<u>1,995,669</u>	<u>85,845,716</u>	<u>3,158,450</u>	<u>90,999,835</u>

27. Revenue (Cont'd)

Disaggregation of the Group's revenue from contracts with customers: (Cont'd)

	Printing and publishing RM	Manufacturing RM	Property and construction RM	Total RM
2024				
Revenue from contracts with customers:				
- Printing services	6,498,331	-	-	6,498,331
- Sales of books	989,829	-	-	989,829
- Sales of goods	600	59,269,671	-	59,270,271
- Construction contract revenue	-	-	1,240,981	1,240,981
	<u>7,488,760</u>	<u>59,269,671</u>	<u>1,240,981</u>	<u>67,999,412</u>
Timing of revenue recognition				
At a point in time	7,488,760	59,269,671	-	66,758,431
Over time	-	-	1,240,981	1,240,981
Total revenue from contracts with customers	<u>7,488,760</u>	<u>59,269,671</u>	<u>1,240,981</u>	<u>67,999,412</u>
Geographical market				
Malaysia	3,772,397	59,269,671	1,240,981	64,283,049
China	3,509,483	-	-	3,509,483
France	42,053	-	-	42,053
Singapore	48,935	-	-	48,935
USA	115,892	-	-	115,892
	<u>7,488,760</u>	<u>59,269,671</u>	<u>1,240,981</u>	<u>67,999,412</u>

28. Net Finance Costs

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Finance income from bank balance	(104,079)	(7,450)	-	-
Finance expenses on:				
- Hire purchase liabilities	33,927	30,691	-	-
- Lease liabilities	38,459	71,238	-	-
- Term loans	5,735,116	4,328,060	684,307	735,060
- Bank overdrafts	119,558	-	-	-
- Banker acceptance	338,644	545,747	205,275	356,902
- Other borrowings	205,275	-	-	-
	<u>6,470,979</u>	<u>4,975,736</u>	<u>889,582</u>	<u>1,091,962</u>
	<u>6,366,900</u>	<u>4,968,286</u>	<u>889,582</u>	<u>1,091,962</u>

29. Profit/(Loss) Before Tax

Profit/(Loss) before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Auditors' remuneration				
- Statutory audit				
- UHY Malaysia PLT	432,500	314,000	90,000	60,000
- Under provision in prior year	-	10,500	-	-
- Non-statutory audit				
- UHY Malaysia PLT	5,000	5,000	5,000	5,000
Amortisation of right-of-use assets	911,956	1,064,604	-	-
Depreciation of investment properties	437,171	408,079	-	-
Depreciation of property, plant and equipment	6,443,150	7,067,505	469,493	440,177

29. Profit/(Loss) Before Tax (Cont'd)

Profit/(Loss) before tax is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Fair value loss on				
other financial asset	83,505	-	-	-
Impairment losses on:				
- investment in subsidiary companies	-	-	-	2,852,952
- property, plant and equipment	508,004	-	-	-
- receivables	7,540,735	2,805,129	-	416,736
Non-executive Directors' remunerations of the Company:				
- fees*	457,139	420,400	456,443	420,400
- other emoluments*	39,000	40,000	39,000	40,000
Non-executive Directors' remunerations of the subsidiary company				
- fees	72,000	72,000	-	-
Realised loss on foreign exchange	18,944	1,986	-	-
Written off on:				
- inventories	12,563	-	-	-
- property, plant and equipment	3,357	-	-	-
- receivables	88,333	1,260,000	-	1,260,000
Gain on disposal of property, plant and equipment	(3,193,977)	(644,706)	-	(79,999)
Government grant income	(121,000)	(121,000)	-	-
Lease income	(1,380,000)	(1,080,000)	-	-
Reversal of impairment loss on receivables	(8,701,531)	(469,699)	(416,736)	-
Unrealised gain on foreign exchange	(386,770)	-	-	-

* Included in the Directors' remuneration was Director's remuneration of RMNil (2024: RM23,333) paid/payable to a Non-Executive Director of the Company who resigned during the financial year.

30. **Taxation**

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Tax expenses recognised in profit or loss				
Malaysian income tax				
Current year provision	43,770	975	-	-
Under/(Over) provision in prior years	13,350,651	(957,335)	2,957,727	-
	<u>13,394,421</u>	<u>(956,360)</u>	<u>2,957,727</u>	<u>-</u>
Deferred tax				
Relating to origination and reversal of temporary differences	3,174,774	2,415,539	-	-
Under/(Over) provision in prior years	1,897,934	(1,525,644)	-	-
	<u>5,072,708</u>	<u>889,895</u>	<u>-</u>	<u>-</u>
	<u>18,467,129</u>	<u>(66,465)</u>	<u>2,957,727</u>	<u>-</u>

30. Taxation (Cont'd)

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Profit/(Loss) before tax	48,310,846	22,995,226	(7,214,393)	(10,979,980)
Taxation at statutory tax rate of 24% (2024: 24%)	11,594,603	5,518,854	(1,731,454)	(2,635,195)
Expenses not deductible for tax purposes	4,559,191	852,130	1,057,177	1,489,865
Income exempted from tax	(12,329,494)	(4,985,550)	-	-
Income not subject to tax	(138,874)	(396,020)	(852)	(20,049)
Deferred tax assets not recognised	757,612	1,427,100	675,129	1,165,379
Deferred tax assets recognised	(1,142,551)	-	-	-
Utilisation of previously unrecognised tax losses	(81,943)	-	-	-
Under/(Over) provision of income tax in prior year	13,350,651	(957,335)	2,957,727	-
Under/(Over) provision of deferred tax in prior year	1,897,934	(1,525,644)	-	-
Tax expense/(income) for the financial year	18,467,129	(66,465)	2,957,727	-

Nextgreen Fertilizer Sdn. Bhd. (“NGF”), a subsidiary company of the Company, was granted an East Coast Economic Region (“ECER”) incentive by the Government of Malaysia pursuant to the approval issued by the Malaysian Investment Development Authority (“MIDA”) vide letter dated 24 July 2024 in relation to the Company’s application submitted to the East Coast Economic Region Development Council (“ECERDC”) on 4 June 2024.

Under the approved ECER incentive package, NGF is entitled to a 100% income tax exemption on statutory income derived from the production of organic fertilizer and liquid fertilizer for a period of ten (10) years, The exemption commences from the Year of Assessment 2024, being the first year in which the Company achieved statutory income, as confirmed by ECERDC vide its compliance confirmation letter dated 22 August 2025.

30. Taxation (Cont'd)

The exemption is granted pursuant to the Income Tax (Exemption) (No. 6) Order 2016 [P.U. (A) 159/2016], as amended by the Income Tax (Exemption) (No. 6) (Amendment) Orders 2018 [P.U. (A) 393/2018] and 2022 [P.U. (A) 90/2022] under the Income Tax Act 1967, subject to the Company's continued compliance with the stipulated conditions and verification by the relevant authorities.

The Group and the Company have estimated unutilised capital allowances, unutilised export allowances and unutilised tax losses available for offset against future taxable profits as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Unutilised capital allowances	2,762,731	20,702,494	172,187	149,164
Unutilised export allowances	1,755,372	1,755,372	-	-
Unutilised tax losses	36,074,593	32,817,852	21,519,316	18,733,095
	<u>40,592,696</u>	<u>55,275,718</u>	<u>21,691,503</u>	<u>18,882,259</u>

With effects from year assessment 2019, unutilised tax losses are allowed to be carried forward up to a maximum of ten (10) years of assessment under the current tax legislation in Malaysia. The other temporary difference does not expire under tax legislation.

Pursuant to Section 44(5F) of the Income Tax Act 1967 in Malaysia, the unutilised tax losses can only be carried forward until the following years of assessment.

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Years of assessment				
- 2028	13,888,296	13,918,249	3,457,145	3,457,145
- 2029	2,190,619	2,190,619	2,128,753	2,128,753
- 2030	2,301,976	2,301,976	1,086,502	1,086,502
- 2031	2,026,341	2,026,341	1,510,534	1,510,534
- 2032	3,302,361	3,302,361	3,025,882	3,025,882
- 2033	4,863,425	4,863,423	3,355,329	3,355,329
- 2034	4,213,004	4,213,004	4,168,950	4,168,950
- 2035	3,256,741	-	2,786,221	-
	<u>36,042,763</u>	<u>32,815,973</u>	<u>21,519,316</u>	<u>18,733,095</u>

31. Earnings Per Share**(a) Basic earnings per share**

Basic earnings per share is calculated based on the consolidated profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2025	2024
Net profit for the financial year attributable to the owners of the parent (RM)	<u>30,682,646</u>	<u>23,078,942</u>
Weighted average number of ordinary shares in issue (units)		
- Ordinary shares in issue as at 1 January	1,062,960,718	936,733,718
- Effect of ordinary shares issued during the financial year	<u>14,520,726</u>	<u>76,743,087</u>
Weighted average number of ordinary shares as at 31 December	<u>1,077,481,444</u>	<u>1,013,476,805</u>
Basic earnings per share (in sen)	<u>2.85</u>	<u>2.28</u>

(b) Diluted earnings per share

Diluted earnings per share is calculated based on the adjusted consolidated profit for the financial year attributable to the owners of the parent and the weighted average number of shares in issue during the financial year have been adjusted for the dilutive effects of all potential shares as follows:

	Group	
	2025	2024
Net profit for the financial year attributable to the owners of the parent (RM)	<u>30,682,646</u>	<u>23,078,942</u>
Weighted average number of ordinary shares used in the calculation of basic earnings per share	<u>1,077,481,444</u>	<u>1,013,476,805</u>
Weighted average number of ordinary shares as at 31 December (diluted)	<u>1,077,481,444</u>	<u>1,013,476,805</u>
Diluted earnings per share (sen)	<u>2.85</u>	<u>2.28</u>

32. **Staff Costs**

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Salaries, wages and other emoluments	9,920,579	7,886,062	2,418,064	2,335,514
Defined contribution plans	1,144,276	884,456	294,257	285,060
Social security contributions	126,087	101,138	24,198	24,919
Other benefits	348,921	159,695	16,713	20,867
	<u>11,539,863</u>	<u>9,031,351</u>	<u>2,753,232</u>	<u>2,666,360</u>
Less: Staff costs capitalised included in property development costs	(979,433)	(1,601,104)	-	-
	<u>10,560,430</u>	<u>7,430,247</u>	<u>2,753,232</u>	<u>2,666,360</u>

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Group and of the Company during the financial year as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
<i>Executive Directors</i>				
Company's Directors				
Salaries and other emoluments	1,470,000	835,000	742,000	607,000
Defined contribution plans	161,130	100,560	89,370	73,200
Social security contributions	2,958	5,191	1,565	2,542
	<u>1,634,088</u>	<u>940,751</u>	<u>832,935</u>	<u>682,742</u>
Subsidiary companies'				
Director				
Salaries and other emoluments	240,000	240,000	-	-
Defined contribution plans	28,800	28,800	-	-
Social security contributions	2,786	2,434	-	-
	<u>271,586</u>	<u>271,234</u>	<u>-</u>	<u>-</u>
	<u>1,905,674</u>	<u>1,211,985</u>	<u>832,935</u>	<u>682,742</u>

The Executive Director's remuneration does not include the estimated monetary value of benefit-in-kind of the Group and of the Company amounting to RM25,000 (2024: RM24,331).

The Non-Executive Director's remuneration does not include the estimated monetary value of benefit-in-kind of the Group and of the Company amounting to RM7,200 (2024: RM7,200).

33. Reconciliation of Liabilities Arising from Financing Activities

	At 1 January RM	Financing cash flows (i) RM	Other changes (ii) RM	At 31 December RM
2025				
Group				
Hire purchase liabilities	690,507	(388,370)	255,000	557,137
Lease liabilities	1,215,288	(874,794)	36,054	376,548
Term loans	63,397,582	20,340,480	-	83,738,062
Bankers acceptance	3,552,169	(454,323)	-	3,097,846
Revolving credit	-	53,530,044	9,000,000	62,530,044
	<u>68,855,546</u>	<u>72,153,037</u>	<u>9,291,054</u>	<u>150,299,637</u>
Company				
Term loans	12,185,553	(568,493)	-	11,617,060
Amount due to subsidiary companies	3,358,798	861,189	-	4,219,987
	<u>15,544,351</u>	<u>292,696</u>	<u>-</u>	<u>15,837,047</u>
2024				
Group				
Hire purchase liabilities	924,177	(233,670)	-	690,507
Lease liabilities	590,144	(849,692)	1,474,836	1,215,288
Term loans	67,581,015	(4,183,433)	-	63,397,582
Bankers acceptance	859,366	2,692,803	-	3,552,169
	<u>69,954,702</u>	<u>(2,573,992)</u>	<u>1,474,836</u>	<u>68,855,546</u>
Company				
Term loans	12,703,294	(517,741)	-	12,185,553
Amount due to subsidiary companies	3,308,145	50,653	-	3,358,798
	<u>16,011,439</u>	<u>(467,088)</u>	<u>-</u>	<u>15,544,351</u>

- (i) The financing cash flows include net amount of proceed from/repayment of hire purchase liabilities, lease liabilities, term loans, bankers acceptance and revolving credit and net amount of advances from/repayment to subsidiaries in the statements of cash flows.
- (ii) Other changes include the additional of new leases and keyman insurance.

34. Capital Commitments

Capital expenditures not provided for in the financial statements are as follows:

	Group	
	2025	2024
	RM	RM
Authorised and contracted for	<u>197,662,220</u>	<u>12,275,476</u>
Analysed as follows:		
Property, plant and equipment	<u>197,662,220</u>	<u>12,275,476</u>

35. Significant Related Party Disclosures**(a) Identifying related parties**

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly.

35. Significant Related Party Disclosures (Cont'd)**(b) Significant related party transactions**

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed in elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Company	
	2025	2024
	RM	RM
Transaction with subsidiary companies:		
- Management fee income	36,147	103,020

(c) Compensation of key management personnel is as follow:

Remuneration of Directors and other members of key management are as disclosed in Notes 29 and 32.

36. Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has five reportable segments as follows:

Investment holding	Investment holding and provision of management services
Printing and publishing	Business of printing of books and magazines or as a book publisher
Manufacturing	Processing, manufacturing, import, export and trading of pulps and papers, fertilizers, animal feeds and related products from waste products
Property and construction	As an industrial park developer and manager, construction and renovation works
Utility and renewable energy	Business in treatment of waste water, produce and supply of biomass power and energy

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

36. Segment Information (Cont'd)**(a) Business segment**

Information regarding the Group's reportable segments as provided to the Group's chief operating decision makers is set out below:

Group	Investment holding RM	Printing and publishing RM	Manufacturing RM	Property and construction RM	Utility and renewable energy RM	Adjustment and eliminations RM	Consolidated RM
2025							
Revenue							
External revenue	-	1,995,669	85,845,716	3,158,450	-	-	90,999,835
Inter-segment revenue	36,147	832,600	-	1,824,355	-	(2,693,102)	-
Total revenue	<u>36,147</u>	<u>2,828,269</u>	<u>85,845,716</u>	<u>4,982,805</u>	<u>-</u>	<u>(2,693,102)</u>	<u>90,999,835</u>

36. **Segment Information (Cont'd)**

(a) Business segment (Cont'd)

Information regarding the Group's reportable segments as provided to the Group's chief operating decision makers is set out below: (Cont'd)

Group	Investment holding RM	Printing and publishing RM	Manufacturing RM	Property and construction RM	Utility and renewable energy RM	Adjustment and eliminations RM	Consolidated RM
2025							
Results							
Depreciation and amortisation	(469,493)	(1,672,301)	(5,513,763)	(604,217)	(633)	468,130	(7,792,277)
Finance costs	(889,582)	(17,850)	(4,352,963)	(1,233,077)	-	22,493	(6,470,979)
Interest income	-	429	103,650	-	-	-	104,079
Share of losses on associates	-	-	-	-	-	(1,272,723)	(1,272,723)
Other non-cash items	416,736	3,418,681	190,832	19,532	-	-	4,045,781
Taxation	(2,957,727)	(97)	(5,264,459)	(10,389,535)	-	144,689	(18,467,129)
Segment (loss)/profit before tax	<u>(7,231,438)</u>	<u>3,387,849</u>	<u>58,713,377</u>	<u>(4,976,014)</u>	<u>(260,268)</u>	<u>(1,322,660)</u>	<u>48,310,846</u>
Segment assets	<u>457,059,032</u>	<u>55,974,578</u>	<u>387,482,498</u>	<u>375,787,300</u>	<u>1,656,091</u>	<u>(507,612,011)</u>	<u>770,347,488</u>
Segment liabilities	<u>30,328,750</u>	<u>47,871,036</u>	<u>246,310,303</u>	<u>347,577,495</u>	<u>1,076,664</u>	<u>(400,081,755)</u>	<u>273,082,493</u>

36. **Segment Information (Cont'd)**

(a) Business segment (Cont'd)

Information regarding the Group's reportable segments as provided to the Group's chief operating decision makers is set out below: (Cont'd)

Group	Investment holding RM	Printing and publishing RM	Manufacturing RM	Property and construction RM	Utility and renewable energy RM	Adjustment and eliminations RM	Consolidated RM
2024							
Revenue							
External revenue	-	7,488,760	59,269,671	1,240,981	-	-	67,999,412
Inter-segment revenue	103,020	922,079	264,048	35,129,910	-	(36,419,057)	-
Total revenue	<u>103,020</u>	<u>8,410,839</u>	<u>59,533,719</u>	<u>36,370,891</u>	<u>-</u>	<u>(36,419,057)</u>	<u>67,999,412</u>

36. **Segment Information (Cont'd)**

(a) Business segment (Cont'd)

Information regarding the Group's reportable segments as provided to the Group's chief operating decision makers is set out below: (Cont'd)

Group	Investment holding RM	Printing and publishing RM	Manufacturing RM	Property and construction RM	Utility and renewable energy RM	Adjustment and eliminations RM	Consolidated RM
2024							
Results							
Depreciation and amortisation	(440,177)	(2,681,679)	(5,104,199)	(571,158)	-	257,025	(8,540,188)
Finance costs	(1,091,962)	(24,651)	(3,834,865)	(42,018)	-	17,760	(4,975,736)
Impairment losses on investment in subsidiary companies	(2,852,952)	-	-	-	-	2,852,952	-
Interest income	-	4,064	3,386	-	-	-	7,450
Share of losses on associate	-	-	-	-	-	(1,327,878)	(1,327,878)
Other non-cash items	(4,449,689)	(1,435,021)	(388,665)	469,699	-	2,852,952	(2,950,724)
Taxation	-	(1,321)	(70,776)	(8,811)	-	147,373	66,465
Segment (loss)/profit before tax	(10,995,712)	(1,112,018)	34,393,469	51,645	(54,601)	712,443	22,995,226
Segment assets	438,617,199	53,905,085	269,761,006	289,484,130	1,658,219	(474,088,878)	579,336,761
Segment liabilities	25,870,443	49,189,295	185,038,729	245,790,276	818,524	(369,923,603)	136,783,664

36. Segment Information (Cont'd)**(a) Business segment (Cont'd)**Adjustments and eliminations

Inter-segment revenues and balances are eliminated on consolidation.

Other non-cash items consist of the following items as presented in the respective notes to the financial statements:

	Group	
	2025	2024
	RM	RM
Fair value loss on other financial asset	(83,505)	-
Impairment loss on:	-	-
- receivables	(7,540,735)	(2,805,129)
- property, plant and equipment	(508,004)	-
Written off of:		
- inventories	(12,563)	-
- property, plant and equipment	(3,357)	-
- receivables	(88,333)	(1,260,000)
Gain on disposal of property, plant and equipment	3,193,977	644,706
Reversal of impairment losses on receivables	8,701,531	469,699
Unrealised gain on foreign exchange	386,770	-
	4,045,781	(2,950,724)

(b) Geographical segments

	Revenue		Capital Expenditure	
	2025	2024	2025	2024
	RM	RM	RM	RM
Malaysia	90,400,775	64,283,049	44,826,910	56,371,318
China	568,161	3,509,483	-	-
France	30,899	42,053	-	-
Singapore	-	48,935	-	-
USA	-	115,892	-	-
	90,999,835	67,999,412	44,826,910	56,371,318

Capital expenditure for this purpose consist of property, plant and equipment, right-of-use assets, investment properties and intangible assets.

36. Segment Information (Cont'd)**(c) Major customers**

Revenue from 5 (2024: 3) major customers amounted to RM73,116,331 (2024: RM51,930,295), arising from the property and construction and management and printing and publishing segment with revenue equal or more than 10% of the Group's revenue are as follows:

	2025	2024
	RM	RM
Customer A	15,839,500	26,165,220
Customer B	15,534,500	13,640,250
Customer C	15,280,918	12,124,825
Customer D	13,854,398	-
Customer E	12,607,015	-
	<u>73,116,331</u>	<u>51,930,295</u>

37. Financial Instruments**(a) Classification of financial instruments**

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense including fair value gains and losses are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At amortised cost RM	At FVTPL RM	Total RM
Group 2025			
Financial assets			
Other investments	-	22,688	22,688
Other financial asset	-	7,566,495	7,566,495
Trade receivables	90,164,706	-	90,164,706
Other receivables #	45,524,785	-	45,524,785
Fixed deposits, cash and bank balances	21,880,735	-	21,880,735
	<u>157,570,226</u>	<u>7,589,183</u>	<u>165,159,409</u>
Financial liabilities			
Trade payables	30,721,047	-	30,721,047
Other payables @	49,184,354	-	49,184,354
Hire purchase liabilities	557,137	-	557,137
Borrowings	150,862,923	-	150,862,923
Lease liabilities	376,548	-	376,548
	<u>231,702,009</u>	<u>-</u>	<u>231,702,009</u>

37. Financial Instruments (Cont'd)**(a) Classification of financial instruments (Cont'd)**

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	At amortised cost RM	At FVTPL RM	Total RM
Group			
2024			
Financial assets			
Other investments	-	22,688	22,688
Trade receivables	55,818,221	-	55,818,221
Other receivables #	36,863,330	-	36,863,330
Cash and bank balances	9,108,975	-	9,108,975
	<u>101,790,526</u>	<u>22,688</u>	<u>101,813,214</u>
Financial liabilities			
Trade payables	35,806,534	-	35,806,534
Other payables @	27,340,818	-	27,340,818
Hire purchase liabilities	690,507	-	690,507
Borrowings	68,309,491	-	68,309,491
Lease liabilities	1,215,288	-	1,215,288
	<u>133,362,638</u>	<u>-</u>	<u>133,362,638</u>

exclude prepayments

@ *exclude deferred income*

37. **Financial Instruments (Cont'd)**

(a) Classification of financial instruments (Cont'd)

	At amortised cost RM	At FVTPL RM	Total RM
Company			
2025			
Financial assets			
Trade receivables	351,542	-	351,542
Other receivables	323,364,307	-	323,364,307
Cash and bank balances	147,816	-	147,816
	<u>323,863,665</u>	<u>-</u>	<u>323,863,665</u>
Financial liabilities			
Other payables	15,397,993	-	15,397,993
Loans and borrowings	11,617,060	-	11,617,060
	<u>27,015,053</u>	<u>-</u>	<u>27,015,053</u>
Company			
2024			
Financial assets			
Trade receivables	315,395	-	315,395
Other receivables	306,453,123	-	306,453,123
Cash and bank balances	279,055	-	279,055
	<u>307,047,573</u>	<u>-</u>	<u>307,047,573</u>
Financial liabilities			
Other payables	13,594,988	-	13,594,988
Borrowings	12,185,553	-	12,185,553
	<u>25,780,541</u>	<u>-</u>	<u>25,780,541</u>

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

37. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Group's major concentration of credit risk relates to the amounts owing by four customers 5 (2024: 3 customers) amounted to RM72,716,733 (2024: RM46,199,699 which constituted approximately 70% (2024: 66%) of its trade receivables as at the end of the reporting period.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

37. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(i) Liquidity risk (Cont'd)**

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
2025						
Non-derivative financial liabilities						
Trade payables	30,721,047	-	-	-	30,721,047	30,721,047
Other payables	49,184,354	-	-	-	49,184,354	49,184,354
Hire purchase liabilities	264,496	231,066	106,582	-	602,144	557,137
Loans and borrowings	17,486,024	14,083,405	26,269,556	156,461,614	214,300,599	150,862,923
Lease liabilities	361,461	81,000	30,000	196,667	669,128	376,548
	<u>98,017,382</u>	<u>14,395,471</u>	<u>26,406,138</u>	<u>156,658,281</u>	<u>295,477,272</u>	<u>231,702,009</u>

37. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	2 to 5 years RM	Total contractua cash flows RM	Total carrying amount RM
Group						
2024						
Non-derivative financial liabilities						
Trade payables	35,806,534	-	-	-	35,806,534	35,806,534
Other payables	28,187,818	-	-	-	28,187,818	27,340,818
Hire purchase liabilities	259,260	259,205	233,171	-	751,636	690,507
Loans and borrowings	13,841,289	17,697,904	26,144,969	33,979,167	91,663,329	68,309,491
Lease liabilities	1,108,811	18,500	30,000	206,667	1,363,978	1,215,288
	<u>79,203,712</u>	<u>17,975,609</u>	<u>26,408,140</u>	<u>34,185,834</u>	<u>157,773,295</u>	<u>133,362,638</u>

37. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company						
2025						
Non-derivative financial liabilities						
Other payables	15,397,993	-	-	-	15,397,993	15,397,993
Loans and borrowings	1,252,800	2,505,600	2,505,600	7,708,299	14,309,947	11,617,060
	<u>16,650,793</u>	<u>2,736,666</u>	<u>2,612,182</u>	<u>7,708,299</u>	<u>29,707,940</u>	<u>27,015,053</u>
Company						
2024						
Non-derivative financial liabilities						
Other payables	13,594,988	-	-	-	13,594,988	13,594,988
Loans and borrowings	1,252,800	1,252,800	3,758,400	10,559,932	16,823,932	12,185,553
	<u>14,847,788</u>	<u>1,252,800</u>	<u>3,758,400</u>	<u>10,559,932</u>	<u>30,418,920</u>	<u>25,780,541</u>

37. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The Company provides unsecured financial guarantee to financial institutions in respect of credit facilities granted to subsidiary companies and monitors on an ongoing basis the performance of the subsidiary companies. At end of the financial year, there was no indication that the subsidiary companies would default on repayment.

The maximum amount of the financial guarantees issued to the financial institutions for subsidiary companies' borrowings is limited to the amount utilised by the subsidiary companies, amounting to RMNil as at 31 December 2025 (2024: RM8,320,000). The earliest period any of the financial guarantees can be called upon by the financial institutions is within the next 12 months. At end of the financial year, there was no indication that the subsidiary companies would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary companies defaulting on their credit facilities is remote.

37. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risk****(i) Foreign currency risk**

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk is primarily United States Dollar (“USD”).

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amount of the Group’s foreign currency denominated financial assets and financial liabilities of the reporting period are as follows:

	Denominated in
	USD
	RM
Group	
2025	
Trade receivables	7,504,385
Cash and bank balances	38,964
Other payables	(5,405)
	<u>7,537,944</u>
2024	
Trade receivables	8,229,801
Cash and bank balances	1,124
Other payables	(10,550)
	<u>8,220,375</u>

37. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risk (Cont'd)****(i) Foreign currency risk (Cont'd)**Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD exchange rates against RM, with all other variables held constant.

		2025	2024
		Effect on profit before tax RM	Effect on profit before tax RM
Group	Change in currency rate		
USD	Strengthen 10% (2024: 10%)	753,794	822,038
	Weakened 10% (2024: 10%)	<u>(753,794)</u>	<u>(822,038)</u>

(ii) Interest rate risk

The Group's and the Company's fixed rate borrowings, hire purchase liabilities and lease liabilities are exposed to a risk of change in their fair value due to changes in interest rates.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

37. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risk (Cont'd)****(ii) Interest rate risk (Cont'd)**

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2025	2024
	RM	RM
Group		
Fixed rate instruments		
Financial assets	13,900,000	-
Financial liabilities	(4,031,531)	(5,457,964)
	<u>9,868,469</u>	<u>(5,457,964)</u>
Floating rate instruments		
Financial liabilities	(147,765,077)	(64,757,322)
	<u>(147,765,077)</u>	<u>(64,757,322)</u>
Company		
Floating rate instruments		
Financial liabilities	(11,617,060)	(12,185,553)
	<u>(11,617,060)</u>	<u>(12,185,553)</u>

Interest rate risk sensitivity analysisFair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(c) Fair values of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

37. **Financial Instruments (Cont'd)**

(c) Fair values of financial instruments (Cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value		Fair value of financial instruments not carried at fair value		Total fair value RM	Carrying amount RM
	Level 1	Total	Level 2	Total		
	RM	RM	RM	RM		
Group						
2025						
Financial asset						
Other investments	-	-	22,688	22,688	22,688	22,688
Other financial asset	-	-	7,566,495	7,566,495	7,566,495	7,566,495
	-	-	7,589,183	7,589,183	7,589,183	7,589,183
2024						
Financial asset						
Other investments	-	-	22,688	22,688	22,688	22,688

38. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Hire purchase liabilities	21	557,137	690,507	-	-
Loans and borrowings	22	150,862,923	68,309,491	11,617,060	12,185,553
Lease liabilities	23	376,548	1,215,288	-	-
Amount due to subsidiary companies		-	-	4,219,987	3,358,798
Sub-total		151,796,608	70,215,286	15,837,047	15,544,351
Less: Fixed deposits, cash and bank balances		(21,880,735)	(9,108,975)	(147,816)	(279,055)
Net debt/(cash)		129,915,873	61,106,311	15,689,231	15,265,296
Total equity		497,264,995	442,553,097	426,833,231	412,832,660
Gearing ratio (times)		0.26	0.14	0.04	0.04

There were no changes in the Group's approach to capital management during the financial year. The Group is not subject to any externally imposed capital requirements.

39. **Significant Events**

- (a) On 16 April 2025, Nextgreen IOI Pulp Sdn. Bhd. ("NIP"), a 55%-owned subsidiary company of the Company, along with Hong Kong Paper Source Co., Limited, Xiamen C&D Paper & Pulp Group Co. Limited, and IOI Corporation Berhad, entered into a Joint Venture Agreement ("JVA"). The JVA regulates their relationship, interests, and the conduct of business through a newly incorporated entity ("JV Company"). On 29 April 2025, Neuwwhite Paper Pulp Sdn. Bhd. was incorporated as the JV Company to undertake the project according to the terms of the JVA. The total capital contribution amounts to RM1,649,450 (2024: RM550), which represents the issued and paid-up share capital injected by the Company into NIP, as disclosed in Notes 8(a) and (b).

The joint venture aims to develop and operate a pulp production facility with an initial capacity of 150,000 metric tonnes per annum of paper pulp, made from oil palm empty fruit bunches. The facility will adopt the patented Preconditioning Refiner Chemical-Recycle Bleached Mechanised Pulp technology.

- (b) On 30 September 2025, Nextgreen IOI Pulp Sdn. Bhd. ("NIP"), a subsidiary of the Company, issued 21,750,000 redeemable convertible preference shares ("RCPS") at an issue price of RM1.00 per RCPS to IOI Paper Pulp Sdn. Bhd. ("IOI Paper") for a total cash consideration of RM21,750,000.

The issuance of RCPS was undertaken to support the Group's project development and working capital requirements. The RCPS carry rights of redemption and conversion into ordinary shares in accordance with the terms and conditions of their issuance.

The salient terms of the RCPS are disclosed in Note 19.

40. **Date of Authorisation for Issue of Financial Statements**

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 April 2026.

FORM OF PROXY**NEXTGREEN GLOBAL BERHAD**

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

No. of shares held	
CDS Account No.	

I/We _____ [Full Name in Block Letters] NRIC
No. _____ of _____
[Full Address], _____ [Email Address], _____ [Contact No.] being a
member(s) of NEXTGREEN GLOBAL BERHAD, hereby appoint:

Full Name in Block Letters		Proportion of shareholdings to be presented %
Email Address		
NRIC No.		
Full Address		
Contact No.		

Full Name in Block Letters		Proportion of shareholdings to be presented %
Email Address		
NRIC No.		
Full Address		
Contact No.		
		100%

or failing him/her *, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Twentieth Annual General Meeting ("20th AGM") of the Company will be held at Perdana Hall 1 & 2, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Tuesday, 30 June 2026 at 10.00 a.m. or any adjournment thereof to vote as indicated below:

The proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" or "✓" in the appropriate spaces. If no specific direction as to the voting is given, the Proxy will vote or abstain from voting at his/her discretion.

RESOLUTIONS	AGENDA	FOR	AGAINST
Ordinary Resolution 1	To re-elect Dr. Lim Kah Yen who is retiring by rotation in accordance with Clause 107(1) of the Company's Constitution.		
Ordinary Resolution 2	To re-elect Ms. Lim Kah Yee who is retiring by rotation in accordance with Clause 107(1) of the Company's Constitution.		
Ordinary Resolution 3	To re-elect Dato' Mohd Yusof Bin Din who is retiring by rotation in accordance with Clause 107(1) of the Company's Constitution.		
Ordinary Resolution 4	To re-elect Datuk Rawisandran A/L Narayanan who is retiring in accordance with Clause 100 of the Company's Constitution.		
Ordinary Resolution 5	To approve the payment of Directors' fees and other benefits up to RM565,000.00 to be divided amongst the Directors in such manner as the Directors may determine for the period from the conclusion of the 20th AGM of the Company until the conclusion of the next AGM of the Company in the year 2027.		
Ordinary Resolution 6	To re-appoint Messrs. UHY Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 7	Authority to Allot and Issue Shares pursuant to Sections 75 And 76 of the Companies Act, 2016.		
Ordinary Resolution 8	Retention Of Dato' Dr. Haji Sohaimi Bin Shahadan as Independent Non-Executive Chairman pursuant to Practice 5.3 Of the Malaysian Code on Corporate Governance.		

Signed this..... day of 2026

.....
Signature of Shareholder(s)

Notes:-

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 June 2016 (General Meeting Record of Depositors) shall be eligible to attend, participate, speak and/or vote at the meeting.
2. A member is entitled to appoint another person as his/her proxy to attend and participate but shall not be entitled to appoint more than two (2) proxies to attend and participate in the meeting. A proxy may but need not be a member of the Company.
3. Where a member appoints two (2) proxies, he/she must specify the proportions of his/her shareholdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. An "exempt authorized nominee" refers to an authorised nominee defined under Securities Industry (Central Depositories) Act, 1991 ("SICDA") which is exempted from compliance with the provisions subsection 25A(1) of SICDA.
5. The Form of Proxy, in the case of an individual, shall be signed by the appointer or his/her attorney, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or its attorney of the corporation duly authorised.
6. The appointment of a proxy may be made in a hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote:
 - (i) **In hard copy form**
In the case of an appointment made in hard copy form, the Form of Proxy must be deposited with the Company's Share Registrar at Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
 - (ii) **By electronic means**
The Form of Proxy can be electronically lodged via the Digerati Portal at <https://nggb-agm.digerati.com.my> or email to admin@aldpro.com.my

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AFFIX STAMP
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THE SHARE REGISTRAR
NEXTGREEN GLOBAL BERHAD
Aldpro Corporate Services Sdn. Bhd.
B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur
Wilayah Persekutuan Malaysia

Second fold here

7. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Share Registrar of the Company at Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
8. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Share Registrar of the Company at Aldpro Corporate Services Sdn. Bhd. at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia not less than forty-eight (48) hours before the time appointed for holding this AGM at which the person named in the appointment proposes to vote. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
9. Pursuant to Paragraph 8.29A of the Main Market Listing Requirement of Bursa Securities, all resolutions set out in this Notice of 20th AGM will be put to vote by way of poll.
10. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.

CORPORATE OFFICE:

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