

SUSTAINABILITY DRIVEN INNOVATION



TABLE OF CONTENTS



The cover of Nextgreen's Annual Report 2023 is designed to visually embody our core mission as a leader in sustainable pulp and paper manufacturing. The illustration of a paper pathway extending through a lush, natural environment symbolises Nextgreen's commitment to innovation and environmental stewardship. This design choice strategically positions us at the forefront of the industry's shift towards sustainable practices, emphasising our role in pioneering eco-friendly production techniques. The cover communicates a clear message of progress and responsibility, directly aligning with Nextgreen's strategic objectives.

18th Annual General Meeting (AGM)



Virtual Live Streaming

<https://agm.digerati.com.my/nggb-online>



Date & Time

Tuesday, 25th June 2024, 10.00 a.m.



Website

www.nextgreenglobal.com/

Notice of 18 th Annual General Meeting	Statement Accompanying Notice of Annual General Meeting	Corporate Information	Corporate Structure
2	7	8	9
Key Highlights	Financial Highlights	Directors' Profile	Key Management Team's Profile
10-17	18-19	20-27	28-29
Management Discussion and Analysis	Corporate Sustainability Statement	Corporate Governance Overview Statement	Audit, Governance and Risk Committee Report
30-42	43-78	79-86	87-88
Statement on Risk Management and Internal Control	Nomination Committee's Statement	Additional Compliance Information	Statement of Directors' Responsibilities
89-92	93-94	95	96
List of Properties	Analysis of Shareholdings	Financial Statements	Form of Proxy
97	98-100	•	•

NOTICE OF 18TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 18th Annual General Meeting (“18th AGM”) of Nextgreen Global Berhad (“Nextgreen” or the “Company”) will be conducted on a virtual basis through live streaming and online remote voting via the Remote Participation and Voting (“RPV”) facilities at the Broadcast Venue at B-21-2, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Malaysia on Tuesday, 25 June 2024 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 2023 together with the Reports of the Directors and Auditors thereon. *Refer to Explanatory Note (a)*
2. To re-elect Teh Chau Chin who is retiring in accordance with Article 107(1) of the Company’s Constitution. *Ordinary Resolution 1*
3. To re-elect Maylee Gan Suat Lee who is retiring in accordance with Article 100 of the Company’s Constitution. *Ordinary Resolution 2*
4. To approve the payment of Directors’ fees and other benefits of up to RM550,000.00 to be divided amongst the Directors in such manner as the Directors may determine for the period from the conclusion of the 18th AGM of the Company until the conclusion of the next AGM of the Company in year 2025. *Ordinary Resolution 3*
5. To re-appoint Messrs. UHY as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *Ordinary Resolution 4*

As Special Business

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

6. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** *Ordinary Resolution 5*

“**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 Article 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 18TH ANNUAL GENERAL MEETING (CONT'D)

7. **PROPOSED GRANT OF EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OPTIONS TO MS LIM KAH YEE, AN EXECUTIVE DIRECTOR OF THE COMPANY** Ordinary Resolution 6

"**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 Article 56 of the Company's Constitution.

THAT approval be and is hereby given to the Board, at any time and from time to time during the duration of the ESOS, to offer and/or grant to Ms Lim Kah Yee, the Executive Director of the Company, options to subscribe for such number of ordinary shares in the Company ("Nextgreen Shares") to be issued under the ESOS provided that not more than ten percent (10%) of the Nextgreen Shares available under the ESOS at the point in time when the offer is made, should be allocated to any individual eligible person who, either singly or collectively through persons connected (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) to the eligible person, holds twenty percent (20%) or more of the total issued shares of the Company and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of By-Laws of the ESOS."

8. **PROPOSED GRANT OF EMPLOYEES' SHARE OPTION SCHEME ("ESOS") OPTIONS TO MS MAYLEE GAN SUAT LEE, AN INDEPENDENT NON-EXECUTIVE DIRECTOR OF THE COMPANY** 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 Article 56 of the Company's Constitution.

THAT approval be and is hereby given to the Board, at any time and from time to time during the duration of the ESOS, to offer and/or grant to Ms Maylee Gan Suat Lee, the Independent Non-Executive Director of the Company, options to subscribe for such number of ordinary shares in the Company ("Nextgreen Shares") to be issued under the ESOS provided that not more than ten percent (10%) of the Nextgreen Shares available under the ESOS at the point in time when the offer is made, should be allocated to any individual eligible person who, either singly or collectively through persons connected (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) to the eligible person, holds twenty percent (20%) or more of the total issued shares of the Company and subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of By-Laws of the ESOS."

9. 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)

THIEN LEE MEE (LS0010621 / SSM PC No. 201908002254)

Company Secretaries

Kuala Lumpur

Date: 30 April 2024

Notes:-

1. Please refer to the Administrative Guide for the procedures to register and participate and vote in the virtual meeting. Shareholders/Proxies will not be allowed to attend the AGM in person at the Broadcast Venue on the day of the AGM.
2. A member is entitled to participate, speak (including posing questions to the Board via real time submission of typed text) and vote (collectively referred to as "**Participate**") remotely at the AGM via the Remote Participation and Voting facilities ("**RPV**") provided by Digerati Technologies Sdn Bhd in Malaysia via its portal website at <https://nggb-agm.digerati.com.my>

NOTICE OF 18TH ANNUAL GENERAL MEETING (CONT'D)

3. A member who is entitled to participate at the AGM via RPV is entitled to appoint another person as his proxy to participate but shall not be entitled to appoint more than 2 proxies to participate via RPV. A proxy may but need not be a member of the Company.
4. Where a member appoints 2 proxies, he/she must specify the proportions of his/her shareholdings to be represented by each proxy.
5. 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.
6. The Form of Proxy, in the case of an individual, shall be signed by the appointer or his 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.
7. For the purpose of determining a member who shall be entitled to Participate in the AGM via RPV, the Company shall request Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 18 June 2024. Only a depositor whose name appears on the Record of the Depositor as at 18 June 2024 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.
8. 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, this proxy form 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, Malaysia.
 - (ii) **By electronic means**
The proxy form can be electronically lodged via the Digerati Portal at <https://nggb-agm.digerati.com.my>
9. 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, 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.
10. 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, 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.
11. Pursuant to Paragraph 8.29A of the Main Market Listing Requirement of Bursa Securities, all resolutions set out in this Notice of 18th AGM will be put to vote by way of poll.
12. 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.

NOTICE OF 18TH ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes to Ordinary Business and Special Business:

(a) Audited Financial Statements for the financial year ended 31 December 2023

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 retire by rotation in accordance with Article 107(1) of the Company's Constitution

Article 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 Article 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.

Mr. Teh Chau Chin 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 18th AGM, the Board through its Nomination Committee ("NC") had assessed and considered the following:-

- a) The Directors' performance and contribution;
- b) The Directors' skills, experience and strength in qualities; and
- c) The Directors' ability to act in the best interests of the Company in decision-making.

Upon deliberation, he had met the criteria of character, experience, integrity, competence and time commitment of effectively discharge his respective roles as Director of the Company and comply with the independence criteria as prescribed in the Main Market Listing Requirements of Bursa Securities and remained independent in exercising his judgment and in carrying out his duties as Independent Non-Executive Director.

Therefore, the NC has considered and recommended, and the Board has endorsed Mr. Teh Chau Chin who is seeking re-election at the forthcoming 18th AGM of the Company.

(c) Retirement of Director

Mr. Tan Meng Chai who is retiring pursuant to Article 107(1) of the Company's Constitution at the forthcoming 18th AGM of the Company, has expressed his intention not to seek for re-election at the forthcoming 18th AGM of the Company. Hence, he will retain office until the conclusion of the 18th AGM and will retire as the Director of the Company until the conclusion of the 18th AGM.

(d) Ordinary Resolution 2: Re-election of Director who retire in accordance with Article 100 of the Company's Constitution

Article 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).

Ms. Maylee Gan Suat Lee was appointed on 10 November 2023 as an Independent Non-Executive Director of the Company. She is standing for re-election as Director of the Company and being eligible has offered herself for re-election.

NOTICE OF 18TH ANNUAL GENERAL MEETING (CONT'D)

(e) Ordinary Resolution 3: 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 RM550,000 for Directors' fees and benefits payable to the Non-Executive Directors for the period from the conclusion of 18th AGM until the conclusion of the next AGM of the Company in year 2025.

Directors' benefits include allowances and other claimable benefits which calculated based on the current Board size and the number of schedule meetings for the period commencing from the conclusion of the 18th AGM until the conclusion of the next AGM of the Company in year 2025.

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.

(f) Ordinary Resolution 4: 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 during the financial year ended 31 December 2023 and was satisfied the performance and independence of Messrs. UHY. The Board has therefore recommended the re-appointment of Messrs. UHY as external auditors of the Company for the financial year ending 31 December 2024.

(g) Special Business – Ordinary Resolution 5: Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016

The proposed Ordinary Resolution 5, 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 shares were issued by the Company pursuant to the General Mandate granted to the Directors at the 17th AGM held on 27 June 2023 and which will be lapsed at the conclusion of the 18th AGM of the Company.

With this General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition(s) 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 Article 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.

NOTICE OF 18TH ANNUAL GENERAL MEETING (CONT'D)

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.

Article 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 5, 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.

(h) Special Business - Ordinary Resolutions 6 to 7: Proposed Grant of ESOS Options to Directors

Ordinary Resolutions 6 to 7 are to seek shareholders' approval for the Company to offer and grant ESOS Options to the Directors of the Company, namely Ms. Lim Kah Yee, the Executive Director of the Company and Ms. Maylee Gan Suat Lee, the Independent Non-Executive Director of the Company respectively to participate in the ESOS.

The abovementioned Directors of the Company namely Ms. Lim Kah Yee and Ms. Maylee Gan Suat Lee are deemed interest in the respective resolutions pertaining to the grant of ESOS Options to the respective Directors and accordingly have abstained and shall continue to abstain from deliberation and voting in respect of their direct and indirect interest in the Company in their respective allocation to them.

THAT, pursuant to Section 85 of the Act read together with Article 56 of the Constitution, approval be hereby given to waive the pre-emptive rights of the existing shareholders of the Company to be offered any new Shares ranking equally to the existing issued Shares arising from any allotment and issuance of new Shares to the Eligible Person(s) pursuant to the ESOS.

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 18th AGM of the Company are:
 - a) Teh Chau Chin (Article 107(1)); and
 - b) Maylee Gan Suat Lee (Article 100).
(the “retiring Directors”)

The retiring Directors have confirmed that they do not have any existing or potential conflict of interest in the business or family 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 2023.

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 5 of the Notice of the 18th AGM of the Company.

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

TEH CHAU CHIN
Independent Non-Executive Director

TAN MENG CHAI
Independent Non-Executive Director

MAYLEE GAN SUAT LEE
Independent Non-Executive Director

AUDIT, GOVERNANCE AND RISK COMMITTEE

Teh Chau Chin, *Chairman*
Tan Meng Chai, *Member*
Maylee Gan Suat Lee, *Member*

NOMINATION COMMITTEE

Tan Meng Chai, *Chairman*
Teh Chau Chin, *Member*
Maylee Gan Suat Lee, *Member*

REMUNERATION COMMITTEE

Maylee Gan Suat Lee, *Chairperson*
Tan Meng Chai, *Member*
Teh Chau Chin, *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 COMMITTEE

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

COMPANY SECRETARIES

Tan Tong Lang (*MAICSA 7045482/SSM PC No. 202208000250*)
Thien Lee Mee (*LS0010621/SSM PC No.201908002254*)

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 2199
Website : www.nextgreenglobal.com

PRINCIPAL BANKERS

Public Bank Berhad
United Overseas Bank (Malaysia) Bhd
Bank Pembangunan Malaysia Berhad

AUDITORS

UHY (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

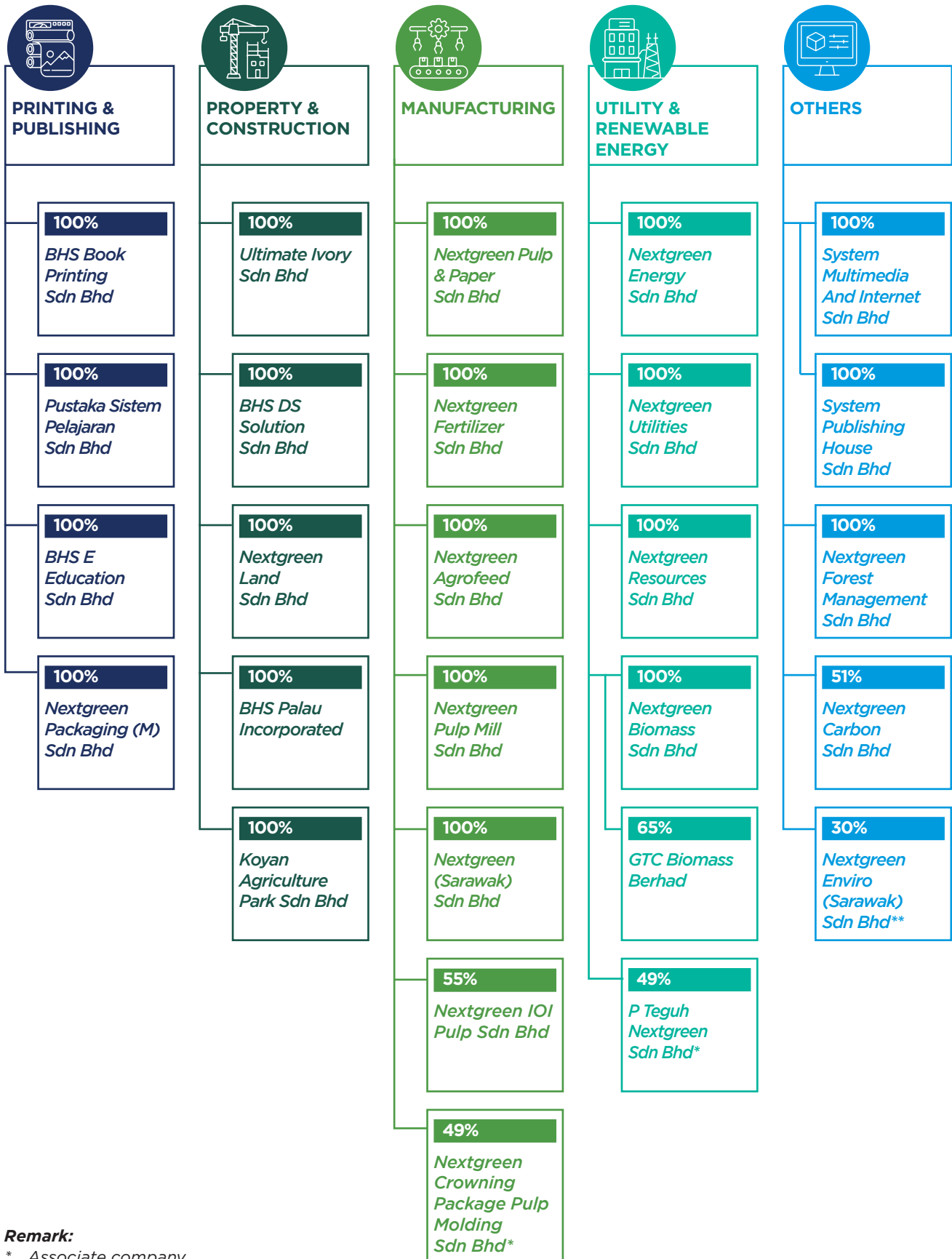
Aldpro Corporate Services Sdn Bhd
B-21-1, Level 21, Tower B,
Northpoint Mid Valley City,
No. 1, Medan Syed Putra Utara,
59200 Kuala Lumpur.
Tel : (03) 9770 2200
Fax : (03) 2201 7774
Email : admin@aldpro.com.my

STOCK EXCHANGE LISTING

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

CORPORATE STRUCTURE

(As At Date of Annual Report)



Remark:

* Associate company

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

KEY HIGHLIGHTS

FEBRUARY 2023

FEB
2



Green Technology Park (“GTP”) received a courtesy visit by the Crown Prince of Pahang, Tengku Mahkota Tengku Hassanal Ibrahim Alam Shah.

FEB
3



Nextgreen Global Berhad participated in the CEO@ Biotech Forum: Bridging the Gap between University and Industry held by the Faculty of Biotechnology & Biomolecular Sciences (“FBSB”) at Universiti Putra Malaysia (“UPM”).

FEB
13



Nextgreen Global Berhad participated in the International Workshop on Introduction to Life Cycle Assessment and International Workshop on Sustainable and Biocompostable Packaging, co-organised by UPM and Bangor University, United Kingdom at the Faculty of Engineering, UPM.

KEY
HIGHLIGHTS (CONT'D)

MARCH 2023

MAR
10



Nextgreen Global Berhad organised the Nextgreen Knowledge Fair 2023 (“NKF 1.0”) at GTP.

MAR
17



Nextgreen Global Berhad participated in the Forests and Health volunteer programme at Taman Tugu Negara, organised by Free Tree Society.

MAR
18



Nextgreen Global Berhad won 3 Gold medals and 1 Outstanding Innovation Award in the Malaysia Technology Expo (“MTE”) 2023.

KEY HIGHLIGHTS (CONT'D)

APRIL 2023



Nextgreen Biomass Sdn. Bhd. entered into a Shareholders' Agreement with Greentech Malaysia Alliances Sdn Bhd ("GTMA"), Koperasi Sahabat Amanah Ikhtiar Malaysia Berhad ("KOOP SAHABAT"), and Koperasi Perkhidmatan Setia Berhad ("KOSETIA") for a special purpose vehicle ("SPV") project.

MAY 2023



Nextgreen Global Berhad organised the Nextgreen Knowledge Fair 2023 ("NKF 2.0") at GTP.



A ground-breaking ceremony for the oil palm biomass Collection and Processing Centre ("CPC") as part of the Special Area Plan Development Project ("RKK") at Gua Musang, Kelantan was completed by Chief Minister of Kelantan, YAB Dato' Bentara Kanan Ustaz Dato' Haji Ahmad bin Yakob.



GTP received a visit from Pahang Skills for the exploration of skill training opportunities.

JUNE 2023

JUN 1



Nextgreen Global Berhad successfully planted 150 indigenous plants on the second Tree Planting Programme with Universiti Malaysia Pahang Al-Sultan Abdullah (“UMPSA”) and Jabatan Perhutanan Negeri Pahang.

JUN 2



GTP received an industrial visit from the Chemical Engineering students of Universiti Malaya (“UM”).

JUN 8



Nextgreen Global Berhad distributed its harvest of Apollo melon to employees at both the headquarters office and the GTP.

KEY HIGHLIGHTS (CONT'D)

JULY 2023

JUL 13



Nextgreen Global Berhad successfully planted 150 trees on the third Tree Planting Programme with UMPSA and Jabatan Perhutanan Negeri Pahang.

SEPTEMBER 2023

Sept 15



Nextgreen Global Berhad celebrated 60th Malaysia Day and Q3 birthdays at the headquarter office.

SEPTEMBER 2023

Sept
19



Nextgreen Global Berhad participated in the Sustainability Program launch by the FBSB, UPM.

OCTOBER 2023

OCT
4



Nextgreen Global Berhad participated in the International Greentech & Eco Products Exhibition and Conference Malaysia (“IGEM”) 2023 in collaboration with Pejabat Setiausaha Kerajaan Negeri Pahang (“PKNP”).

KEY HIGHLIGHTS (CONT'D)

OCTOBER 2023

OCT
6



Nextgreen Global Berhad launched the pulp-moulded food packaging and tissue paper made from oil palm empty fruit bunch (“EFB”) in the IGEM 2023.

OCT
10



Nextgreen Global Berhad participated in the 2nd International Conference on Plantation Technology (“ICPTech”) 2023 held by Institute of Plantations Studies (“IKP”), Universiti Putra Malaysia.

OCT
26



Nextgreen Global Berhad successfully achieved the milestone to plant 1,000 trees in collaboration with UMPSA and Jabatan Perhutanan Negeri Pahang.

KEY HIGHLIGHTS (CONT'D)

NOVEMBER 2023

NOV
17



Nextgreen Global Berhad signed a Memorandum of Agreement (“MOA”) with Bioeconomy Corporation for sustainable biomass partnership.

NOV
20



Nextgreen Global Berhad showcased its innovative products from EFB using Zero-Waste Technology at PERMINDA 2023, held at Taylor’s University Lakeside Campus.

DECEMBER 2023

DEC
6



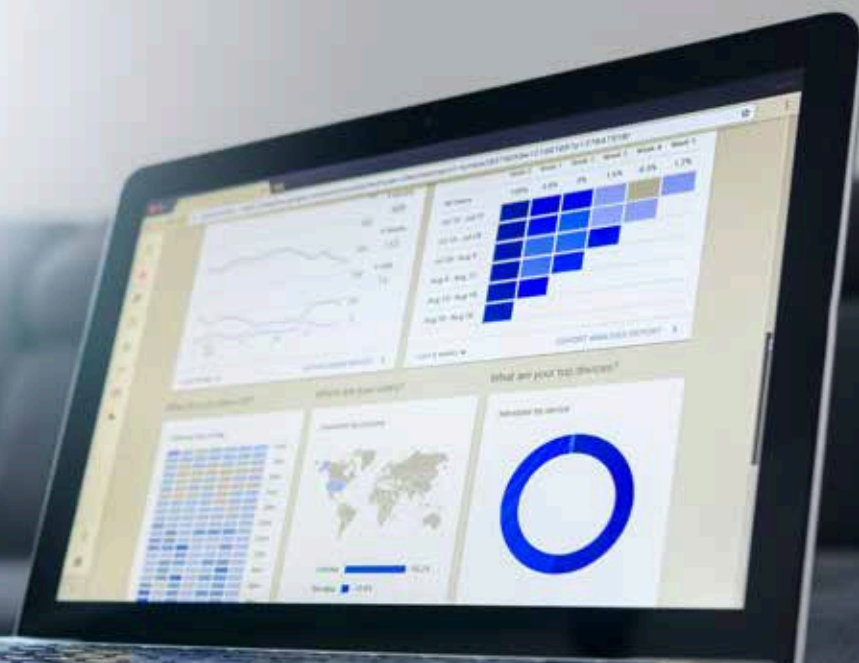
Nextgreen Global Berhad won the Biomass Industry Innovation Award for converting oil palm biomass into valuable products at the National Biomass Conference.

DEC
26



Nextgreen Global Berhad hosted its annual company dinner and celebration of Q4 birthdays at Lemon Garden, Shangri-La Kuala Lumpur.

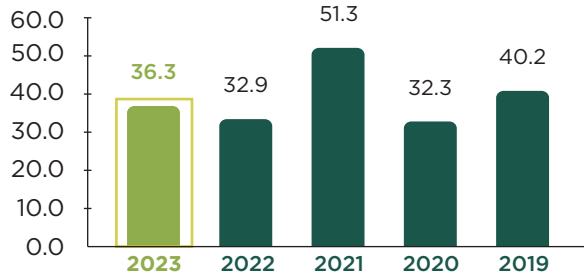
FINANCIAL HIGHLIGHTS



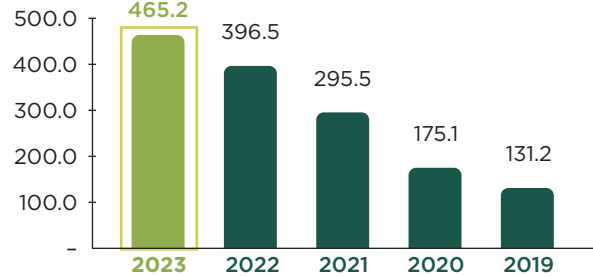
FINANCIAL YEAR ENDED 31 DECEMBER (RM MILLION)	2023	2022	2021	2020	2019
Revenue	36.3	32.9	51.3	32.3	40.2
Other Income	21.7	28.0	10.5	3.4	3.2
PROFIT					
Gross Profit	13.1	11.6	24.5	12.6	3.2
Earnings before interest and tax	18.0	17.1	11.5	5.4	(43.8)
Profit/(loss) before tax	12.7	13.8	9.8	4.2	(44.3)
Taxation	3.4	1.3	-	-	1.3
Profit/(loss) after taxation and non-controlling interest	9.4	12.7	9.9	4.2	(45.6)
FINANCIAL POSITIONS					
Total Assets	465.2	396.5	295.5	175.1	131.2
Total Liabilities	127.3	122.0	47.4	35.7	31.7
Net current asset	56.8	12.3	22.5	70.6	43.8
Non-controlling interest	-	(0.2)	(0.2)	(0.1)	-
Shareholders' fund	337.9	274.6	248.3	139.5	99.5
OTHER FINANCIAL INFO					
Ordinary shares (million)	936.7	787.2	762.9	594.3	504.2
Redeemable convertible preference share (million)	59	200	200	-	-
Basic earnings per share (RM sen)	1.1	1.6	1.4	0.8	(9.9)
Diluted earnings per share (RM sen)	1.0	1.4	1.3	0.8	(9.9)
Net assets per share (RM sen)	36.1	34.9	32.5	23.5	19.7

FINANCIAL HIGHLIGHTS (CONT'D)

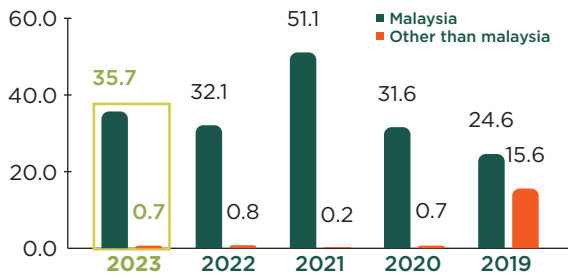
REVENUE (RM' million)



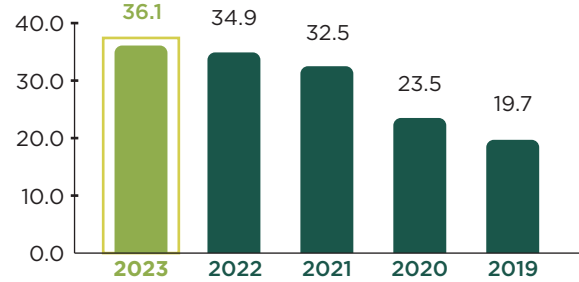
TOTAL ASSETS (RM' million)



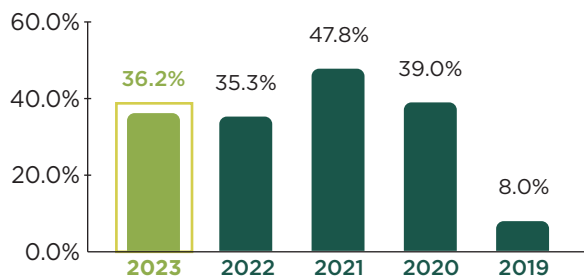
GEOGRAPHICAL SEGMENT REVENUE (RM' million)



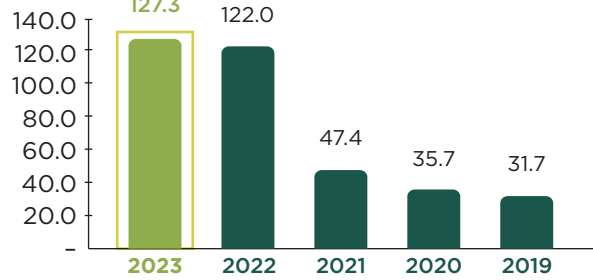
NET ASSETS PER SHARE (RM sen)



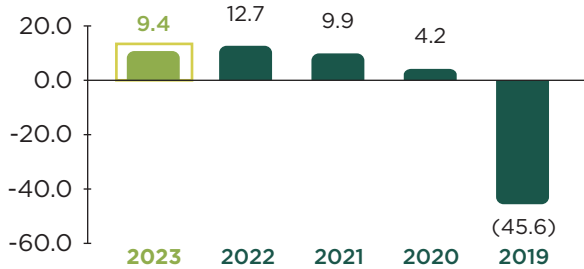
GP MARGIN



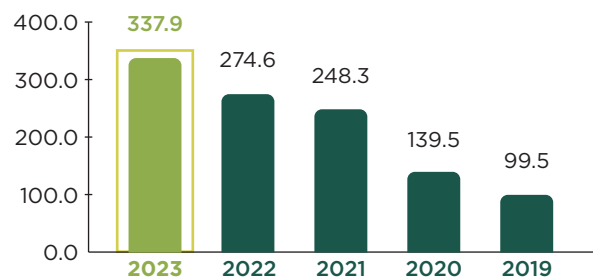
TOTAL LIABILITIES (RM' million)



PROFIT/(LOSS) AFTER TAX AND NON-CONTROLLING INTEREST (RM' million)



SHAREHOLDER'S FUND (RM' million)



DIRECTORS’ PROFILE

DATO’ DR. HAJI SOHAIMI BIN SHAHADAN

INDEPENDENT NON-EXECUTIVE CHAIRMAN

Nationality

Gender

Age



Male

55



Academic/Professional Qualification/Memberships

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

Work Experience

Dato’ Dr. Haji Sohaimi Bin Shahadan was appointed 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’ Dr. Haji Sohaimi is passionate in entrepreneurship arena. Currently, he has been appointed as President of Asean Chambers of Commerce and Industry (from 2020 till now). He also the Chairman of Asean Young Entrepreneurs Secretariat (1998-2000), 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 – 2010), the Patron of Consortium Cartoonist at Work (“CaW”), and the Entrepreneurs Speaker for Institute Keusahawan Negara (“INSKEN”).

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.

He is the Chairman of Employees’ Share Option Scheme.

Currently, Dato’ Dr. Haji 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 with the Group. He has not been convicted for any offences within the past five years other than traffic offences, if any.

DATO' LIM THIAM HUAT

MANAGING DIRECTOR

Nationality	Gender	Age
	Male	60



Academic/Professional Qualification/Memberships

1. Federal Institute of Technology- Building Technology.

Work Experience

Dato' Lim Thiam Huat 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, he 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 Pre-Conditioning Refiner Chemical Recycled Bleached Mechanised Pulp (“PRC-RBMP”). His 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 a member of Employees' Share Option Scheme.

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 with the Group. He has not been convicted for any offences within the past five years other than traffic offences, if any.

DIRECTORS' PROFILE (CONT'D)

TS. DR. LIM KAH YEN

EXECUTIVE DIRECTOR

Nationality

Gender

Age



Female

33



Academic/Professional Qualification/Memberships

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 Paper-Making Technology at Shaanxi University of Science and Technology, China.
4. PhD in Environmental Biotechnology at Universiti 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 on 07 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.

She is a member of Employees' Share Option Scheme.

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 with the Group. She has not been convicted for any offences within the past five years other than traffic offences, if any.

DIRECTORS' PROFILE (CONT'D)

LIM KAH YEE EXECUTIVE DIRECTOR

Nationality	Gender	Age
	Female	27



Academic/Professional Qualification/Memberships

1. Bachelor's Degree 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 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.

She is a member of Employees' Share Option Scheme.

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 with the Group. She has not been convicted for any offences within the past five years other than traffic offences, if any.

DIRECTORS' PROFILE (CONT'D)

DATO' MOHD YUSOF BIN DIN NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Nationality	Gender	Age
	Male	52



Academic/Professional Qualification/Memberships

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

Work Experience

Dato' Mohd Yusof Bin Din was appointed to the Board 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, he 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' Mohd 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 is a member of Employees' Share Option Scheme.

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 with the Group. He has not been convicted for any offences within the past five years other than traffic offences, if any.

TEH CHAU CHIN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Nationality	Gender	Age
	Male	58



Academic/Professional Qualification/Memberships

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 was appointed to the Board of our Company 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.

He 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 two 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, he manages a company which offers advisory services on governance and integrity framework, anti-corruption compliance and corruption risk management implementation. He is the Chairman of Audit, Governance and Risk Committee, a member of the Nomination Committee and the Remuneration Committee.

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 with the Group. He has not been convicted for any offences within the past five years other than traffic offences, if any.

DIRECTORS' PROFILE (CONT'D)

TAN MENG CHAI

INDEPENDENT NON-EXECUTIVE DIRECTOR

Nationality

Gender

Age



Male

63



Academic/Professional Qualification/Memberships

1. Fellow of Association of Certified and Chartered Accountants, Association of Certified and Chartered Accountants ("FCCA"), United Kingdom.

Work Experience

Mr. Tan Meng Chai was appointed to the Board of our Company on 30 September 2020. He started his career as an auditor before joining the corporate world and had since held several senior positions in different organisations including the current role as an Independent Non-Executive Director of EquitiesTracker Holdings Berhad.

In his more than 25 years of working experience before joining the consultancy world, he had also taken on roles in sales, human resources, and IT in both service and manufacturing environments. His regional experience included businesses in Hong Kong, Indonesia, Singapore and Malaysia. His vast experience in driving for business results has equipped him with a strong understanding of leadership, the importance of inter-department relationships and managing stakeholder expectations.

He was a Senior Consultant with Development Dimension International ("DDI") from 2010 to 2022. DDI is a leading global leadership development and human resources consulting firm with responsibilities

for delivering performance management and leadership development programs. At DDI, he had undertaken various people development projects for mid and senior business leaders to address core leadership competencies and behaviors for locally listed and multinational entities.

He is an accredited coach with International Coaching Federation. He coaches business owners and leaders on organisational and people performances. He had previously served as a member of the ACCA Malaysia Advisory Committee 2004-2010 providing strategic advice to ACCA Malaysia on matters affecting its members and students.

He authored a career guide book for employees.

He is the Chairman of Nomination Committee and a member of the Audit, Governance and Risk Committee and Remuneration Committee.

Currently, Tan Meng Chai holds directorship in EquitiesTracker Holdings Berhad.

He has no family relationship with other Director and/or major shareholder of the Group. He does not have any 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.

MAYLEE GAN SUAT LEE

INDEPENDENT NON-EXECUTIVE DIRECTOR

Nationality	Gender	Age
	Female	47



Academic/Professional Qualification/Memberships

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, Legal Profession Qualifying Board, Malaysia.
4. Masters 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, Companies Commission of Malaysia.

Work Experience

Ms. Maylee was appointed to the Board 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 with the Group. She has not been convicted for any offences within the past five years other than traffic offences, if any.

KEY MANAGEMENT TEAM'S PROFILE

WAN NOOR AZHAN BIN WAN SHAHRUDDEN, CA (M)

GROUP ACCOUNTANT

Nationality	Gender	Age
	Male	44



Mr. Wan Noor Azhan Bin Wan Shahruddeen joined the Group in June 2020 as Group Accountant to oversee both the compliance and commercial aspects of the finance functions of the Group such as financial reporting, budgeting, corporate matters, reporting, internal control, regulation, analysis, corporate finance and taxation of the Group.


He held a Diploma in Accountancy and Degree of Bachelor in Accounting from Universiti Kebangsaan Malaysia and member of Malaysian Institute of Accountant ("MIA").

Prior to joining NGGB Group, he was working with a start-up private limited company as corporate advisory to setting up the company structure, SOPs, business plan etc. He brings 20 years' experience inclusive of eight years of experience working with PLC as a Chartered Accountant.

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 with the Group. He has not been convicted for any offences within the past five years other than traffic offences, if any.

DERIC LIM JERN CHIET

HEAD OF CORPORATE FINANCE

Nationality	Gender	Age
	Male	45



Mr. Deric Lim Jern Chiet joined the Group in mid-2022 and was designated as Head of Corporate Finance upon the confirmation of his service. He brings with him over 15 years of experience in the areas of corporate finance, financial advisory, project finance, budget & financial planning as well as audit & assurance.

He has served within various investment banks and boutique firms for over 10 years advising on initial public offering, mergers & acquisition, rights offering, corporate restructuring, secondary fundraising, debt financing, project financing as well as buy-side and sell-side advisory.


Prior to this, his career included a couple of stints as Finance Manager and as a Financial Analyst in a few private limited companies involving budget planning, cashflow forecasts, operational review as well as financial planning and analysis. He started his career as an Audit Associate in a Big Four accounting firm.

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 with the Group. He has not been convicted for any offences within the past five years other than traffic offences, if any.

KEY MANAGEMENT TEAM'S PROFILE (CONT'D)

DAVID TEH CHENG LIM

HEAD OF INTERNAL AUDIT

Nationality	Gender	Age
	Male	58



Mr. David Teh Cheng Lim was appointed the Head of Internal Audit of Nextgreen Global Group on 1 August 2021. He 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.


He 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 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 with the Group. He has not been convicted for any offences within the past five years other than traffic offences, if any.

KHOO KIM POH

CHIEF OPERATING OFFICER

Nationality	Gender	Age
	Male	64



Mr. Khoo Kim Poh joined the Group in February 2022 as the Chief Operating Officer (“COO”) in charge of the Property and Construction Division.

He graduated with a Civil Engineering degree from Universiti Malaya (“UM”) in 1984, before obtaining an MBA (Finance) from the University of Hull, UK. He is also a holder of Bachelor of Laws degree from the University of London.

He brings along with him more than 37 years of working experience in the construction & engineering sector involving all stages of works, ranging from project ideation, concept planning, detailed engineering, to project implementation, administration and handover.

Throughout his career, he established proficiencies in general civil engineering & construction covering geotechnical and heavy foundations works, infrastructure & substructure works, roads, interchanges & bridges, golf course and army camp, as well as specialist areas such as water & wastewater treatment plants, horizontal directional drilling (“HDD”) and reclamation works.

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 with the Group. He has not been convicted for any offences within the past five years other than traffic offences, if any.

MANAGEMENT DISCUSSION AND ANALYSIS

“Working towards embedding sustainability into our business including operations, strategy and decision-making, Nextgreen prioritizes ensuring the efficient use of raw materials while creating value-added products to improve competitiveness within the industry.

Nextgreen will continue to create value for our stakeholders with breakthrough projects and new business divisions in the pipeline, driving the company’s long-term growth.

We are taking more steps to ensure efficient utilization and various applications of raw materials and reduction of environmental impact across our operations with the concept of circularity. Apart from utilizing oil palm biomass EFB for pulp and paper, Nextgreen has started utilizing degraded EFB and by-products from the pulping process for biofertilizers in 2023.

On behalf of the board, I am delighted to report analysis of business operations and financial performance of the Group for the financial year ended 31 December 2023”

DATO’ LIM THIAM HUAT
GROUP MANAGING DIRECTOR

OVERVIEW

Nextgreen Global Berhad (“Nextgreen”), a Malaysian investment holding company established in 1982, has a rich history as a pioneer in the printing and publishing industry. Originally focused on providing comprehensive printing services, the company made significant strides by becoming Malaysia’s first magazine and book printing entity listed on the Kuala Lumpur Stock Exchange in 2007.

Over the years, Nextgreen has evolved its core business to include a diverse range of ventures. This expansion encompasses the development of industrial parks, manufacturing of pulp and paper products, fertilizers, animal feed, and other related activities.

The group was structured into five distinct divisions, namely Printing & Publishing, Property & Construction, Manufacturing, Utility & Renewable Energy and others, (as detailed on page 9 of our corporate structure).

One of Nextgreen’s flagship projects, the Green Technology Park (“GTP”), spans 410 acres in the Kampung Paloh Hinai district of Pekan, Pahang. Positioned within the East Coast Economic Region (“ECER”) Special Economic Zone (ECER SEZ), GTP embodies Nextgreen’s commitment to the zero-waste concept in Green Technology. Spearheaded by Nextgreen’s wholly-owned subsidiary, Ultimate Ivory Sdn Bhd, development

commenced in 2017 with projected to be completed the project by 2027.

The completion of Phase 1A of GTP marked a significant milestone, albeit amidst challenges posed over the years. This phase saw the establishment of a pulp and paper manufacturing plant owned and operated by Nextgreen Pulp & Paper Sdn Bhd. Leveraging our proprietary technology, Preconditioning Refiner Chemical-Recycle Bleached Mechanised Pulp (PRC-RBMP), the plant has an annual capacity of 10,000 tons of EFB pulp and paper. By converting oil palm empty fruit bunches (EFB) into pulp, this technology facilitates sustainable pulp and paper production.

During the financial year, Nextgreen implemented several strategic decisions, one of which involved the sale of a 51% stake in Nextgreen Enviro Sdn Bhd (“NGEV”) in November 2023. Initially intended for tissue paper production, the company redirected its focus towards the manufacturing of EFB pulp. It’s important to highlight that NGEV had not commenced its business operations before the divestment

This year’s endeavors underscore Nextgreen’s commitment to innovation, sustainability, and strategic growth, positioning Nextgreen for continued success in the dynamic business landscape.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

KEY FINANCIAL HIGHLIGHTS

		FYE 2023	FYE 2022	Variance	%
Revenue	RM million	36.3	32.9	3.4	10.3
Gross Profit	RM million	13.1	11.6	1.5	12.9
GP margin	%	36.1	35.3	0.8	2.3
Other operating income	RM million	21.7	28.0	(6.3)	(22.5)
Earnings before interest and tax	RM million	18.0	17.1	0.9	5.3
Share of associates' loss	RM million	(1.0)	(0.1)	(0.9)	900.0
Profit before tax	RM million	12.7	13.8	(1.1)	(8.0)
Taxation	RM million	3.4	1.3	2.1	161.5
Profit after tax	RM million	9.2	12.5	(3.3)	(26.4)
Profit/(loss) after tax and non-controlling interest	RM million	9.4	12.7	(3.3)	(26.0)
Shareholder's fund	RM million	337.9	274.6	63.3	23.1
Retained earnings	RM million	24.1	13.9	10.2	73.4
Total Assets	RM million	465.2	396.5	68.7	17.3
Total Liabilities	RM million	127.3	122.0	5.3	4.3
Net current assets	RM million	56.8	12.3	44.5	361.8
Total unit of ordinary share	RM million	936.7	787.2	149.5	19.0
Basic earnings per share	RM sen	1.1	1.6	(0.5)	(31.3)
Diluted earnings per share	RM sen	1.0	1.4	(0.4)	(28.6)
Net assets per Share	RM sen	36.1	34.9	1.2	3.4

Segmental Revenue*

	FYE 2023	Contribution	FYE 2022	Contribution	Variance	Variance
	RM million	%	RM million	%	RM million	%
Manufacturing	32.8	90.1	14.5	44.0	18.3	126.2
Printing & Publishing	3.6	9.9	5.4	16.5	(1.9)	(34.1)
Property & Construction	-	0.0	9.5	29.0	(9.5)	(100.0)
Utility & Renewable Energy	-	0.0	3.5	10.6	(3.5)	(100.0)
Others	-	-	-	-	-	-
Group revenue	36.3	100.0	32.9	100.0	3.4	(10.3)

Remark: *Segmental revenue was presented after inter-segment elimination

In the financial year ending 2023, the Group experienced substantial progress, recording revenue of RM36.30 million, marking a noteworthy 10.3% upturn from the previous year's RM32.9 million. This commendable achievement was largely propelled by increased revenue generated by our Manufacturing divisions, which constituted 90.1% of the group's total revenue

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Manufacturing division saw significant growth, marking a 126.2% increase from the previous financial year's RM 14.5 million. Notably, the Phase 1A Pulp and Paper segment excelled in its second year, generating a notable net revenue of RM 25.0 million. It was primarily due to the increase in orders from local customers. Despite the ongoing construction of fertiliser processing plant, the fertiliser segment contributed RM 7.8 million in revenue, primarily from the sale of semi-finished fertiliser. This underscores the segment's potential once the processing plant is fully operational.

Printing and Publishing division, on the other hand, faced a revenue decline, registering RM3.6 million, a significant 34.1% decrease from the RM5.4 million recorded in the corresponding period of the previous fiscal year. This decline can be primarily attributed to inconsistent order patterns from local customers and delays in customs and port clearance processes, primarily attributable to a single overseas customer.

Property and Construction division did not record any revenue during the current financial year, in contrast to the RM 9.5 million generated from the sales of sub-divided land in the previous year. This decline can largely be attributed to delays in site progress for land reclamation work, which impacted the availability of sub-divided land for sale. In response, the company intensified efforts to expedite the completion of the fertiliser processing plant.

Similarly, **Utility and Renewable Energy** did not record any revenue as the subsidiary companies listed in this division are yet to commence their operation and are in the planning stage. During the previous financial year, the RM3.5 million revenue is attributed to a single formal subsidiary Osmocell Sdn Bhd which ceased to be a subsidiary of the Nextgreen in current financial year.

Profit after tax ("PAT")

	FYE 2023	Contribution	FYE 2022	Contribution	Variance	Variance
	RM million	%	RM million	%	RM million	%
Manufacturing	13.2	180.8	17.9	136.6	(4.7)	(26.3)
Printing & Publishing	0.6	8.2	(3.8)	(29.0)	4.4	115.8
Property & Construction	(2.8)	(38.4)	3.3	25.2	(6.1)	(184.8)
Utility & Renewable Energy *	-	-	-	-	-	-
Others	(3.7)	(50.7)	(4.3)	(32.8)	0.6	14.0
PAT before consol adjustment	7.3	100.0	13.1	100.0	(5.8)	(44.3)
Consol adjustment	1.9	N/A	(0.6)	N/A	N/A	N/A
PAT	9.2	100.0	12.5	100.0	(3.3)	(26.4)

Remarks: * Rounding to the nearest million. The reported figure is less than RM100K. N/A means not applicable

The Group's net profit after tax (PAT) witnessed a notable downturn, declining by RM3.3 million or 26.4% to RM9.2 million in the fiscal year 2023 compared to the previous year's figure of RM12.5 million. Despite the increase in the Group's revenue, several factors contributed to the decline in PAT, which will be thoroughly discussed later in this section.

The **manufacturing division's** PAT declined from RM17.9 million to RM13.2 million. This reduction was primarily attributed to the absence of an RM20.4 million reversal of prior impairment on property, plant, and equipment (PPE). However, the division experienced a positive impact from new other income, notably earning RM14.0 million from the sale of manufacturing by-products from the pulp and paper segment, which partially offset the decline. Conversely, the profit after tax for the fertilizer segment decreased from RM5.2 million to RM4.8 million due to reduced revenue. Additionally, increased net finance costs and tax expenses further contributed to the decline in the division's profit after tax.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The **printing and publishing** division has achieved a minimum profit after tax (PAT) of RM0.6 million, marking a positive turnaround from the losses recorded in the previous year. Despite experiencing a reduction in revenue, the division has improved its financial performance, demonstrating resilience in the face of declining demand in the traditional printing industry, attributed to the increased adoption of digital products in recent years. During the year, the division entered into a three-year factory lease agreement with a Bumiputera printing company, generating an annual rental income of RM1.2 million. However, this agreement was mutually terminated at the end of December 2023 due to changes in the division's business plan. Additionally, the division entered a one-year equipment lease agreement worth RM3.0 million, which was surrendered to the company at the end of September 2023. The rental income amounting to RM3.5 million derived from these agreements helped offset the shortfall in printing and publishing revenue

The **property and construction** division incurred a loss of RM2.8 million, marking a negative turnaround from a PAT of RM3.3 million. One of the operational companies within this division is Ultimate Ivory Sdn Bhd, the park developer of GTP. The division is actively seeking a potential land buyer from the private sector interested in establishing a factory in GTP. Furthermore, subsidiary companies listed under this division, such as Nextgreen Land Bhd, have initiated preliminary land-clearing works in Gua Musang to establish the first Collection and Processing Centre (CPC) of oil palm waste. Additionally, the mixed development project of Bandar Bentara in Gua Musang, which is set to be jointly developed by Nextgreen Land Sdn Bhd and Perbadanan Menteri Besar Kelantan, is still in preliminary discussions. However, the remaining companies under this division remain dormant. Due to these activities, the division incurred administrative and pre-operating expenses amounting to RM3.1 million, compared to RM2.2 million recorded in the same period of the previous financial year. Additionally, the company accounted for RM0.5 million in impairment losses on receivables, aligning with the increase in receivables.

As for **Utility and Renewable Energy**, all subsidiaries listed under this division remained dormant. It is worth noting that the division missed out on construction contract revenue related to the raw and wastewater treatment facility previously generated by formal subsidiary company Osmocell Sdn Bhd (Disposed in Oct 2022).

Similarly, **Other** division primarily consists of a holding company and several dormant subsidiaries (as detailed on page 9 of the corporate structure) which do not fall under the aforementioned divisions. The holding

company reported a loss after tax of RM3.6 million, slightly lower than the loss of RM4.2 million recorded in the previous year. During the year, the holding company disposed of a 51% owned subsidiary, namely Nextgreen Enviro Sdn Bhd, for a cash consideration of RM3.0 million. This disposal contributed a gain on disposal of RM3.0 million to the company. However, despite the high gain on disposal recorded, the impairment losses recognized during the year offset this favourable situation.

The Group's **GPM** for FYE2023 stood at 36.1%, showing a slight increase from 35.3% in FYE2022. This is noteworthy, especially considering the higher revenue recorded by the Manufacturing division. However, the overall increase was primarily offset by lower revenue and a reduced GPM from the printing and publishing division.

The Group's **other income** for FYE2023 amounted to RM21.7 million, marking a decrease of RM6.1 million compared to FYE2022, which recorded RM28.0 million. FYE2023's other income primarily stemmed from the sale of manufacturing by-products and rental income. However, in FYE2022, a significant portion of other income was attributed to the reversal of impairment, which was a non-cash and one-off transaction. Therefore, it's important to note that the comparison between FYE2023 and FYE2022 is not entirely comparable due to the differing nature of the income sources.

The Group's **EBIT** remained relatively stable between FYE2023 and FYE2022, reporting RM18.0 million and RM17.1 million in line with the improvement in GP margin, despite the various combination factors as in the earlier note.

The Group's **PBT** experienced a slight decrease of 8.1%, despite improved revenue performance and gross profit margin. One contributing factor to this decline was the increase in net finance costs, rising to RM4.4 million from RM3.2 million recorded in FYE2022. This increase was primarily due to new bank borrowings secured from Bank Muamalat Malaysia Berhad, as well as the utilization of overdraft and bankers' acceptance facilities.

The Group's taxation increases of 161.5% primarily due to the attributable solely to the manufacturing division, rose from RM1.3 million to RM3.4 million in FYE2023. This increase was attributed to the provision of tax expense on the profit generated from the sale of manufacturing by-products, which was not deemed tax-exempted income as per the approval letter issued by the Malaysia Investment Development Authority ("MIDA") under the ECER tax incentive.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The Group's **PAT** for recorded at RM9.2 million, marking a 26.4% decrease from RM12.5 million in FYE2022, aligning with the decline in PBT and increase in taxation.

The Group's **Profit after tax and non-controlling interest** decreased by 26.0% to RM9.4 million from RM12.7 million in FYE2022.

Basic earnings per share for FYE2023 stood at 1.1 sen based on a weighted average of shares of 848.4 million, compared to 1.6 sen for FYE2022 based on a weighted average of shares of 774.4 million.

Diluted earnings per share stood at 1.0 sen based on a weighted average of shares after the dilutive effect of 930.2 million, compared to 1.4 sen based on a weighted average of shares after the dilutive effect of 888.4 million.

Shareholders' Funds increased to RM337.9 million, indicating a year-on-year increase of RM63.3 million or 23.1%. The increase was significant due to an increase in share capital after the exercise of the Employee's Share Option Scheme ("ESOS") and the conversion of RCPS.

The net asset per share amounted to 36.1 sen at the conclusion of FYE2023, calculated based on 936.7 million units of shares. In comparison, for FY2022, it was 34.9 sen, calculated based on 787.2 million units of shares at the period's end.



REVENUE

RM36.3million

10.3% Increase Y-o-Y
(FYE2022:RM32.9 million)



BASIC EARNINGS PER SHARE

1.1 sen

weighted average of shares of **RM936.7 million**
(FYE2022:1.6 sen, weighted average of shares of RM787.2 million)



DILUTED EARNINGS PER SHARE

1.0 sen

weighted average of shares of **936.7 million**
(FYE2022:1.4 sen, weighted average of shares of RM787.2 million)



SHAREHOLDERS

RM337.9million

23.1% Increase Y-o-Y
(FYE2022:RM274.6 million)



NET ASSET PER SHARE

36.1 sen

based on **936.7 million units of shares**
(FYE2022:34.9 sen, based on 787.2 million units of shares)

OUTLOOK AND PROSPECT

As part of the development in the Green Technology Park ("GTP"), the Group has initiated its manufacturing business with the completion of its inaugural pulp and paper mill boasting an annual production capacity of 10,000 metric tons of wood-free paper. This plant is equipped with patented technology "PRC RBMP", enabling the conversion of Empty Fruit Bunches (EFB) into non-wood pulp and paper products with minimal waste. Furthermore, the Group has outlined several upcoming and ongoing developments within the GTP for its manufacturing business:

- Two pulp mills with annual production capacities of 100,000 metric tons of bleached chemical EFB pulp under Phase 2A and 2B of the GTP;
- A pulp mill with an annual production capacity of 200,000 metric tons of bleached chemical EFB pulp under Phase 3 of the GTP.

All of these developments will be equipped with PRC-RBMP technology. The Group is currently undertaking site preparation works, and the relevant applications for the development are expected to be submitted by mid-2024.

In the realm of the fertiliser manufacturing segment, the Group has initiated the construction of a fertilizer processing plant designed to accommodate an annual capacity of 30,000 metric tons. Situated within GTP (Phase 1A extension), this plant will be operated by the wholly owned subsidiary Nextgreen Fertilizer Sdn Bhd ("NGF"). Its operations will involve the production of solid and liquid fertiliser, utilizing waste and/ or

MANAGEMENT

DISCUSSION AND ANALYSIS (CONT'D)

manufacturing by-product from Phase 1A production as well as fermented EFB. The construction of the production plant is anticipated to be completed in Quarter 2 2024, with testing and commissioning initially scheduled for Quarter 3 2024.

As for the property and construction segment, the land for the GTP project remains a key driver for the Group. The Group will continue to assess and identify subdivided lands within the GTP to be sold to third parties, either as vacant land or developed into completed units such as factories.

The wholly-owned subsidiary BHS Book Printing Sdn Bhd has been successfully selected as a global printer partner for Oxford University Press, United Kingdom for two years with effect from October 2023. The Group expects to benefit from his appointment and securing

printing service jobs from this customer in the coming years. The Group will remain focused on the commercial and box and packaging printing segments as well book publishing business.

In the utility and renewable energy segment, the Group incorporated a 65% owned special purpose vehicle, GTC Biomass Berhad, on 5 April 2023. This entity will undertake the building, development, and commissioning of 20 collection and processing centers for palm oil waste throughout Malaysia.

Considering the above, as well as the overview and outlook of the Malaysian palm oil biomass and pulp and paper industries, the Group expects its key focus to be on its manufacturing business. Accordingly, the Group will prioritize bringing its development in the GTP project to realization.

KNOWN AND ANTICIPATED STRATEGIC RISK

Strategic risks for the Group encompass factors that may affect the Group's long-term goals, competitive position, and overall strategic direction. Below are some known and anticipated strategic risks that the Group might face:

No	Identified risk	Description	Mitigation
1	Market competition:	The group operates in a competitive market where other companies offer similar products or services. Increased competition from existing competitors or new entrants could erode market share, pricing power, and profitability.	<p>Continuous research and development of new products through innovation, quality improvements, and unique value propositions to stand out in the market.</p> <p>Conducted thorough market research by participating in product exhibitions to understand customer needs, preferences, and emerging trends, allowing nextgreen to tailor its offerings accordingly.</p> <p>Invested in brand building and marketing efforts to enhance brand recognition, loyalty, and perceived value among customers.</p>
2	Technological disruption:	Rapid advancements in technology may disrupt the group's business model or render its products obsolete. Failure to adopt or integrate emerging technologies into its operations could result in loss of competitiveness and market relevance.	Form partnerships or collaborations with technology providers, startups, or research institutions to access cutting-edge technologies and expertise.
3	Market trends and consumer preferences	Shifts in consumer preferences, market trends, or industry dynamics could impact group's sales volumes, product demand, and revenue growth. Failure to anticipate or adapt to these changes may result in declining market share and profitability.	<p>Continuously gather consumer feedback and monitor market trends, consumer behavior, and preferences through market research, surveys, and feedback mechanisms.</p> <p>Maintain flexibility in production processes and supply chain operations to accommodate shifts in demand and adapt to changing market dynamics.</p>

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

No	Identified risk	Description	Mitigation
4	Strategic alliances and partnerships	The group may enter into strategic alliances, partnerships, or joint ventures to expand its market presence or enter new markets. Risks associated with such collaborations include disagreements with partners, integration challenges, and reliance on external parties.	<p>Conduct thorough due diligence on potential partners to ensure compatibility, alignment of goals, and mutual benefits.</p> <p>Establish clear agreements and contracts outlining roles, responsibilities, expectations, and exit strategies to minimize risks and misunderstandings.</p> <p>Foster open communication, trust, and collaboration with strategic partners to leverage synergies, share resources, and achieve common objective.</p>
5	Mergers and acquisitions	The group may pursue mergers or acquisitions as part of its growth strategy. Risks associated with mergers and acquisitions include integration challenges, cultural differences, and overpayment of assets.	<p>Assess the strategic fit and compatibility of potential acquisition targets with the group's business objectives, culture, and values.</p> <p>Conduct thorough risk assessments and due diligence to identify potential risks, liabilities, and integration challenges associated with mergers and acquisitions.</p>
6	Financial risks	Strategic decisions related to financing, capital allocation, or investment strategies may expose the group to financial risks such as liquidity constraints, debt burdens, or overleveraging.	<p>Develop robust financial planning and forecasting processes to manage liquidity, cash flow, and capital allocation effectively.</p> <p>Diversify sources of funding, including debt, equity, and alternative financing options, to reduce reliance on any single source and mitigate financial risks.</p>
7	Brand and reputation	Damage to the group's brand or reputation due to product recalls, quality issues, ethical lapses, or negative publicity may result in loss of customer trust, reduced sales, and long-term damage to the company's competitive position.	Actively engage with stakeholders, including customers, employees, investors, and communities, to build trust, transparency, and positive relationships. Develop a robust crisis management plan to effectively respond to and mitigate reputational risks arising from negative events, such as product recalls, scandals, or environmental incidents. Invest in Corporate Social Responsibility ("CSR") initiatives that align with nextgreen's values and contribute positively to society, environment, and communities, enhancing brand reputation and goodwill.
8	Global economic conditions	Group's performance may be influenced by macroeconomic factors such as economic downturns, currency fluctuations, or geopolitical instability. Weak economic conditions may impact consumer spending, business investment, and demand for the group's products and services.	<p>Cost reduction and efficiency improvements.</p> <p>Diversification of product portfolio.</p> <p>Focus on essential products.</p> <p>Strengthened financial position.</p> <p>Supply chain resilience.</p> <p>Scenario planning and risk assessment.</p>

MANAGEMENT

DISCUSSION AND ANALYSIS (CONT'D)

KNOWN AND ANTICIPATED OPERATIONAL RISK

Operational risks for the Group could include various factors that may impact the Group's day-to-day operations and efficiency. Below among others the anticipated or known operational risks of the Group.

Supply Chain Disruptions:

The Group relies on a complex supply chain to procure raw materials and deliver products to customers. Any disruptions in the supply chain, such as delays in shipments, shortages of key materials, or supplier bankruptcies, could impact production schedules and result in revenue loss.

Production Issues:

Operational risks may arise from production challenges, including equipment breakdowns, machinery malfunctions, or quality control issues. These issues could lead to production delays, increased costs, and damage to the company's reputation if product quality is compromised.

Regulatory Compliance:

Compliance with regulations governing the industry in which Nextgreen operates is crucial. Failure to comply with environmental regulations, safety standards, or other legal requirements could result in fines, penalties, or legal action, impacting the company's operations and financial performance.

Workforce Challenges:

Operational risks may stem from workforce-related issues, such as labor shortages, employee turnover, or labor disputes. A shortage of skilled labor or disruptions in workforce availability could affect production levels and increase operating costs.

Technology Failures:

Reliance on technology for various aspects of operations exposes Nextgreen Global Berhad to the risk of technology failures, such as system crashes, cybersecurity breaches, or data loss. These failures could disrupt operations, compromise sensitive information, and damage the company's reputation.

Health and Safety Incidents:

Operational risks include health and safety incidents in the workplace, such as accidents, injuries, or occupational hazards. Failure to maintain a safe working environment could result in legal liabilities, worker compensation claims, and reputational damage.

Business Continuity Planning:

Nextgreen Global Berhad faces the risk of disruptions to its business continuity due to unforeseen events such as natural disasters, pandemics, or political instability. Lack of adequate business continuity planning could result in extended downtime, revenue loss, and customer dissatisfaction.

Capacity Constraints:

Operational risks may arise from capacity constraints, such as insufficient production capacity to meet growing demand or underutilization of existing capacity leading to inefficiencies. These constraints could impact revenue growth and competitiveness in the market.

MANAGEMENT

DISCUSSION AND ANALYSIS (CONT'D)

The counter measurement

The Group has identified several countermeasures to mitigate operational risks by conducting regular risk assessments of its operations to identify potential vulnerabilities and develop mitigation strategies. This includes evaluating equipment reliability, assessing workforce skills and training needs, and identifying regulatory compliance gaps.

The group implements supply chain diversification and visibility to eliminate the reliance on a single supplier, mitigating the impact of disruptions such as delays, shortages, or quality of raw materials. The group also considering enhancing supply chain visibility and transparency by implementing digital tracking systems and communication channels with suppliers. Real-time monitoring of inventory levels, production schedules, and delivery status allows for proactive management of supply chain risks. The Group also promotes supply chain collaboration with key suppliers and partners to address operational risks collaboratively. Joint problem-solving, information sharing, and mutual support to strengthen relationships and improve supply chain resilience

Employee training and empowerment is one of the group's human capital investments by providing in-house training or sending the employee to suitable training programs to enhance employee skills, knowledge, and awareness of operational risks. Empowering employees to identify and address potential risks fosters a culture of accountability and continuous improvement within the organisation.

Continuous improvement initiative is one of the Group's efforts to streamline processes, optimize resource utilization, and enhance operational resilience. Regular performance reviews, feedback mechanisms, and benchmarking against industry best practices help drive operational excellence and mitigate risks.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

SHARIAH COMMITTEE (“SHC”) REPORT

The establishment of SHC, marked a pivotal step in ensuring the Group’s adherence to Shariah principles, as guided by the Securities Commission (SC) guidelines. The SHC was appointed by the Management to play a central role in overseeing Shariah matters within the Group. To bolster its effectiveness, dedicated control functions have been established to support the SHC in fulfilling its responsibilities. These control functions are tasked with conducting Shariah research and providing advisory services, acting as the secretariat to the SHC, managing Shariah non-compliance risks, and conducting Shariah review and audit processes.

The composition of (“SHC”)

Chairman	Dato’ Hj. Mohd Yusof bin Din <i>(Non-Independent Non-Executive Director)</i>
Member	Prof. Dr. Mohd Afandi bin Mat Rani <i>(Independent individual)</i>
Member	Assoc. Prof. Dr. Mushaddad bin Hasbullah <i>(Independent individual)</i>

Nextgreen continues to maintain its classification as Shariah-compliant securities, as indicated in the most recent list released by the Securities Commission on November 24, 2023. The Group acknowledges the significance of adhering to Shariah compliance standards, recognizing the various benefits associated with this commitment, among others as follows:

Access to Islamic Investors: By being included on the list of Shariah-compliant securities, Nextgreen Global Berhad gains access to a broader pool of investors who adhere to Islamic finance principles. These investors may specifically seek out Shariah-compliant investments, providing Nextgreen with increased visibility and potentially attracting new shareholders.

Enhanced Market Reputation: Being classified as a Shariah-compliant counter can enhance Nextgreen’s reputation within the market, signaling to investors, customers, and stakeholders that the company operates in accordance with ethical and religious principles. This can contribute to building trust and confidence in the company’s business practices.

Investor Confidence: Shariah-compliant status may instil confidence in investors regarding Nextgreen’s financial integrity and adherence to ethical standards. Investors who prioritize ethical considerations in their investment decisions may be more inclined to invest in companies that are deemed Shariah-compliant.

Access to Islamic Finance Instruments: Nextgreen Global Berhad may benefit from easier access to Islamic finance instruments and facilities, such as Shariah-compliant financing or Islamic bonds (sukuk). These financial instruments can provide alternative sources of funding for the company’s growth and expansion initiatives.

Market Stability: Shariah-compliant companies often adhere to principles of risk-sharing, transparency, and fairness, which can contribute to market stability and resilience. By aligning with Shariah principles, Nextgreen may enhance its long-term sustainability and resilience in the market

MANAGEMENT

DISCUSSION AND ANALYSIS (CONT'D)

Developments and activities

1) Shariah Committee Meeting

The SHC conducted four (4) meetings during the financial year ended 31 December 2023 and their attendance as set out below

Name of member	No of Meetings Attended
Dato' Hj. Mohd Yusof bin Din <i>(Non-Independent Non-Executive Director)</i>	3/4
Prof. Dr. Mohd Afandi bin Mat Rani <i>(Independent individual)</i>	3/4
Assoc. Prof. Dr. Mushaddad bin Hasbullah <i>(Independent individual)</i>	4/4

2) Shariah Governance

SHC had approved initiatives to enhance the Shariah governance framework of the company. This initiative involves reviewing the Shariah Compliance Policies and Procedures to strengthen the overall Shariah governance framework within the company. Additionally, it aims to ensure that the company's business operations align with Shariah rules and principles

3) Shariah Review

The Shariah officer had performed Shariah reviews throughout the year and the reports were deliberated in the committee meetings. The review reports that were presented to us covering the following areas:

- a) Shariah Review on Financial Statements
- b) Shariah Compliance Policies and Procedures
- c) Standard Operating Policies and Procedures ("SOPP") on Management and Distribution of Shariah Non-Compliance Income ("SNCI")

4) Shariah Policy

The SHC had reviewed and endorsed the SOPP on the Management & Distribution of SNCI with the aim, among others, to outline the process of reporting and management of Shariah non-compliant events and income as well as the maintenance and distribution of **Ghair Syar'ie** Funds (tainted money funds).

5) Shariah Resolution

The resolution by the SHC was formulated through the application of expertise and impartial, independent judgment. It was arrived at after a thorough and fair consideration of all pertinent information and perspectives, free from any undue influence from internal or external sources. This independence of judgment was maintained despite any potential ownership-related or external factors that might have otherwise hindered our ability to exercise objective judgment.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

No	Shariah Issue	Decision
1	Shariah non-compliance risk in products and services offering and business dealings with customers	<p>Shariah's due diligence process shall be done internally by the Sales and Marketing department through the monitoring of the customer's core business activities to determine whether the core business activities are permissible (halal), mixed (halal and haram), or explicitly non-compliant (haram).</p> <p>Any transaction with a business entity that is explicitly Shariah non-compliant is prohibited while any transaction with a business entity carrying out permissible (halal) or mixed business activities is permissible.</p> <p>The sales & marketing department ("S&M") shall also ensure that the total contribution from Shariah non-compliant activities does not exceed 5% of Nextgreen Global Berhad's total income at all times.</p>
2	Shariah's due diligence implementation method	The Shariah Committee had endorsed the Shariah due diligence implementation by way of acquiring information directly from customers using the Shariah Screening Assessment Form which has been incorporated in S&M's SOPP
3	Purification of Shariah non-compliant income	<p>As per accounting standards, any income generated by the company must be recorded as income, regardless of whether it is Shariah-compliant or non-Shariah-compliant.</p> <p>However, the SHC must recognize any Shariah non-compliant income earned by the Group and acknowledge the obligation to distribute this income to charities before the end of the subsequent financial year. The Group is not permitted to benefit from any contributions made.</p> <p>Shariah non-compliant income shall not be allocated for Group CSR activities.</p> <p>The medium for distributing Shariah non-compliant income will be determined during the Shariah Committee meeting, and a memorandum will be subsequently submitted to the finance department for distribution.</p> <p>A separate report must be prepared by the Shariah officer detailing the sources and uses of Ghair Syar'ie Funds for record-keeping purposes</p>

Shariah opinion

The Shariah Committee had also reviewed the financial statements of the Group for the year ended 31 December 2023 according to the Securities Commission (SC) guidelines. In our opinion, the income from non-permissible activities over the group's total income is within the 5% and 20% thresholds and the ratio of the group's cash over total assets and debt over total are also within the 33% threshold.

Dato' Hj. Mohd Yusof bin Din

SHC Chairman

30 April 2024

MANAGEMENT

DISCUSSION AND ANALYSIS (CONT'D)

GROUP RESEARCH AND DEVELOPMENT (“R&D”)

Nextgreen R&D’s fundamental ideas are to contribute to the long-term growth of the Group’s business through advanced technology and innovations that ensure the creation of value for our customers, continual improvement and recurring businesses, and at the same time align with government policies as well as contribute to the development of society, industry, and academia through close collaborations. To meet our goal, we have been actively conducting in-house research projects and collaborating with researchers from universities and research institutions, as well as government agencies and other relevant industrial players throughout 2023.

Nextgreen is dedicated to creating a sustainable, green economy by pioneering the production of woodfree pulp and paper using zero waste technology and renewable energy. In line with our corporate philosophy, we aim to contribute to the realization of a sustainable society and the improvement of corporate value through research and development by creating safe and environmentally friendly new products, new processes, and competitive intellectual property with technological innovation

2023 was a remarkable year for Nextgreen R&D, as we have been awarded one (1) Outstanding Innovation Award and three (3) Gold Innovation Awards at the Malaysia Technology Expo 2023 (MTE2023). Our innovation in manufacturing sustainable food packaging out of oil palm EFB and nano cellulose earned us the Outstanding Innovation Award and 1 Gold Innovation Award

R&D long-term target

To develop and deliver safe and environmentally friendly innovative products and processes with a Technology Readiness Level (TRL) at least two levels higher than the initial, within 3 years of research and development.

To evaluate and assess the utilization of waste and by-products at GTP into value-added products that meet GTP needs and market demand.

To actively acquire new technologies and collaborate with third-party companies, organisations, and research institutes to access technologies not available in-house and achieve ongoing growth as an R&D-oriented corporate group.

R&D strategy in achieving the target

To leverage our core technologies, strengthen the utilization of renewable resources through the creation of value-added products, and realize new growth, in circular economy and green technology.

To ascertain our R&D strategies, the selection of appropriate projects and new developments are made based on market and environmental needs, along with the abundance of untapped valuable resources and by-products.

Target for the upcoming year

As we close the chapter for the year 2023, The Group is gearing up for an exciting future. With fond memories of a year of accomplishments, growth, and resilience, we hope to produce more innovations, commercialize new products, and obtain relevant certifications by 2024. In 2024, the Group will prioritise the innovation and commercialization of its other bioproducts, NexBooster™ and, NexCompost™ biofertilizers, in addition to the EFB woodfree pulp and paper, NeuWhite®.

Additionally, to support Malaysia’s government’s goal of becoming a net zero greenhouse gas emissions nation, the Group will begin by collecting relevant data, followed by carbon footprint reporting for our main product, NeuWhite® Pulp and Paper. This aligns with our corporate vision of creating a zero-waste industrial park at our iconic industrial park, GTP in Pekan, Pahang.