

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular including the valuation report and the valuation certificate in relation to the Proposals (as defined below), makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



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

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

- (I) PROPOSED SUBSCRIPTION OF ORDINARY SHARES AND/OR REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN NEXTGREEN IOI PULP SDN BHD (“NIP”), A 55%-OWNED SUBSIDIARY OF NEXTGREEN GLOBAL BERHAD (“NGGB”), OF UP TO RM119,625,000 BY NGGB FOR THE PROPOSED JOINT VENTURE BETWEEN NGGB, NIP, IOI CORPORATION BERHAD, HONG KONG PAPER SOURCES CO., LIMITED, XIAMEN C&D PAPER & PULP GROUP CO LIMITED AND NEUWHITE PAPER PULP SDN BHD (“NEUWHITE”), A 75%-OWNED SUBSIDIARY OF NIP, FOR THE PROPOSED DEVELOPMENT OF A PULP PRODUCTION FACILITY (“PROPOSED JOINT VENTURE”); AND**
- (II) PROPOSED DISPOSAL OF TWO (2) PARCELS OF LEASEHOLD INDUSTRIAL LAND BY ULTIMATE IVORY SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF NGGB, TO NEUWHITE FOR AN AGGREGATE TOTAL DISPOSAL CONSIDERATION OF RM70,400,277.77 TO BE SATISFIED FULLY IN CASH (“PROPOSED LAND DISPOSALS”)**

**(THE PROPOSED JOINT VENTURE AND PROPOSED LAND DISPOSALS  
ARE COLLECTIVELY REFERRED TO AS “PROPOSALS”)**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Principal Adviser**



**AFFIN HWANG INVESTMENT BANK BERHAD**  
(Registration No. 197301000792 (14389-U))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The notice of the extraordinary general meeting (“EGM”) of NGGB which is scheduled to be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Malaysia on Friday, 13 March 2026 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering the Proposals, together with the Form of Proxy are enclosed in this Circular.

A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint proxy(ies) to attend, participate, speak and vote on his/her behalf. In such event, the completed and signed Form of Proxy must be deposited with the Share Registrar of our Company, Aldpro Corporate Services Sdn Bhd, situated at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia or by electronic lodgment via the Digerati Portal at <https://nggb-egm.digerati.com.my> or email to [admin@aldpro.com.my](mailto:admin@aldpro.com.my), not less than forty-eight (48) hours before the time and date fixed for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude a shareholder from attending, participating, speaking and voting in person at the EGM should the shareholder subsequently wish to do so.

Last day, date and time for lodging the Form of Proxy: Wednesday, 11 March 2026 at 10:00 a.m.

Day, date and time of the EGM

: Friday, 13 March 2026 at 10:00 a.m. or any adjournment thereof

This Circular is dated 26 February 2026

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## DEFINITIONS

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Unless the context requires otherwise, the following abbreviations and definitions shall apply throughout this Circular:

Act	:	Companies Act, 2016
Affin Hwang IB or Principal Adviser	:	Affin Hwang Investment Bank Berhad (Registration No. 197301000792 (14389-U))
Board	:	Board of Directors of our Company
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CBRE WTW or Valuer	:	CBRE WTW Valuation & Advisory Sdn Bhd (Registration No. 197401001098 (18149-U)), being the independent registered valuer registered with the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia, appointed by our Company to conduct the valuation of the Development Lands
Circular	:	This circular to our Shareholders in relation to the Proposals dated 26 February 2026
Conditional SPA(s)	:	Two (2) conditional sale and purchase agreements dated 5 December 2025 entered into between Ultimate Ivory and Neuwhite in respect of the Proposed Land Disposals
Debt Financing	:	Debt portion of up to RM592.00 million to be raised by Neuwhite from third parties (any person who is not its shareholder or an affiliate to its shareholder) such as by way of loans from financial institutions or issuance of bonds (conventional or Islamic)
Development Lands	:	Collectively, Lot 7436 and Lot 7461
Director	:	A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, within the meaning of Section 2(1) of the Act and Section 2(1) of the Capital Markets & Services Act, 2007 and includes any person who is or was a director of our Company, our subsidiaries or holding company within the preceding six (6) months of the date of announcement of the execution of the JVA on 16 April 2025
Disposal Considerations	:	Total disposal consideration of the Development Lands of RM70,400,277.77 or approximately RM868,763.84 per acre to be satisfied fully in cash
EFB	:	Oil palm empty fruit bunches
EGM	:	Extraordinary general meeting
EPS	:	Earnings per Share
Equity Subscription	:	Equity portion of up to RM290.00 million to be raised by Neuwhite from NIP and HK Paper through the issuance of new Neuwhite Shares and/or preference shares of Neuwhite in proportionate to their respective shareholding interest in Neuwhite subject always to the issued share capital of Neuwhite not exceeding RM290.00 million

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**DEFINITIONS** *(Cont'd)*

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FYE	:	Financial year ended/ending
FPE	:	Financial period ended/ending, as the case may be
GTP	:	The green technology park, a master-planned industrial development area measuring approximately 410.04 acres in Paloh Hinai, Mukim of Lepar, District of Pekan, Pahang Darul Makmur
Ha	:	Hectares
HKD	:	Hong Kong Dollar
HK Paper	:	Hong Kong Paper Sources Co., Limited (Registration No. 1685177), a company incorporated in Hong Kong
IOI	:	IOI Corporation Berhad (Registration No. 196901000607 (9027-W))
IOI Paper	:	IOI Paper Pulp Sdn Bhd (Registration No. 202201044151 (1489848-M))
JVA	:	The joint venture agreement dated 16 April 2025 entered into between the JV Parties
JV Parties	:	Collectively, our Company, NIP, IOI, HK Paper, Xiamen C&D and Neuwhite
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
Lot 7436	:	One (1) parcel of leasehold industrial land held under H.S.(D) 5589, PT 7436, Mukim of Lepar, District of Pekan, Pahang measuring 18.464 Ha or approximately 45.625 acres
Lot 7461	:	One (1) parcel of leasehold industrial land held under H.S.(D) 5630, PT 7461, Mukim of Lepar, District of Pekan, Pahang measuring 14.33 Ha or approximately 35.410 acres
LPD	:	30 January 2026, being the latest practicable date prior to the date of this Circular
m <sup>2</sup>	:	Square meter
m <sup>3</sup>	:	Cubic meter
MT	:	Metric tonnes
NA	:	Net assets
NBAP 2023-2030	:	National Biomass Action Plan 2023-2030 by the Ministry of Plantation and Commodities
Neuwhite or SPV Company	:	Neuwhite Paper Pulp Sdn Bhd (Registration No. 202501018441 (1619855-H))
Neuwhite Share(s)	:	Ordinary share(s) in Neuwhite
NGGB or Company	:	Nextgreen Global Berhad (Registration No. 200501037512 (719660-W))

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**DEFINITIONS** *(Cont'd)*

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NGGB Group or Group	:	Collectively, our Company and its subsidiaries
NGGB Share(s) or Share(s)	:	Ordinary share(s) in our Company
NIP	:	Nextgreen IOI Pulp Sdn Bhd (Registration No. 202401013742 (1559592-H))
NIP Share(s)	:	Ordinary shares in NIP
Off-Take Agreement	:	The exclusive off-take and distributorship agreement to be entered into between Neuhwhite and Xiamen C&D or any of its affiliates pursuant to the terms of the JVA to procure Xiamen C&D to off-take the EFB-based paper pulp products produced by the Pulp Production Facility
Off-Take Framework Agreement	:	The exclusive off-take and distributorship framework agreement dated 9 May 2025 entered into between Neuhwhite and Xiamen C&D pursuant to the JVA to set out the mutual understanding and agreement on the key terms of the Off-Take Agreement
PHSB	:	Progressive Holdings Sdn Bhd (Registration No. 198301014972 (110365-A))
PRC-RBMP	:	Preconditioning Refiner Chemical-Recycle Bleached Mechanised Pulp
Project	:	The Pulp Production Facility which will be developed on the Development Lands within the GTP
Proposals	:	Collectively, the Proposed Joint Venture and the Proposed Land Disposals
Proposed Joint Venture	:	Proposed joint venture between our Company, NIP, IOI, HK Paper, Xiamen C&D and Neuhwhite to undertake the development of the Project
Proposed Land Disposals	:	Collectively, the Proposed Land Disposal 1 and Proposed Land Disposal 2
Proposed Land Disposal 1	:	Proposed disposal of Lot 7436 by Ultimate Ivory to Neuhwhite for the disposal consideration of RM39,637,350.20 to be satisfied fully in cash subject to the terms and conditions set out in the Conditional SPA
Proposed Land Disposal 2	:	Proposed disposal of Lot 7461 by Ultimate Ivory to Neuhwhite for the disposal consideration of RM30,762,927.57 to be satisfied fully in cash subject to the terms and conditions set out in the Conditional SPA
PSK Pahang	:	Perbadanan Setiausaha Kerajaan Pahang
Pulp Production Facility	:	A large-scale pulp production and manufacturing facility with an initial production capacity of 150,000 MT per annum of paper pulp, made from EFB, using the patented PRC-RBMP technology and the commercialisation of non-wood paper pulp products with minimal waste
RCPS	:	Redeemable convertible preference shares in NIP
RM and sen	:	Ringgit Malaysia and sen respectively
RMB	:	Renminbi, the lawful currency of the People's Republic of China

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**DEFINITIONS** (Cont'd)

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Shareholder(s)	:	Shareholder(s) of our Company
Site Preparation Works	:	The levelling and preparation of the Development Lands for the Pulp Production Facility together with the access road connecting the Development Lands to the public road, electricity and water supply to the Development Lands to be performed by Ultimate Ivory as part of the terms of the Conditional SPAs, prior to completion of the Conditional SPAs
SPA PSK Lot 7436	:	The sale and purchase agreement dated 17 October 2025 entered into between Ultimate Ivory and PSK Pahang for the acquisition of Lot 7436 from PSK Pahang by Ultimate Ivory for a purchase consideration of RM1,125,466.15
Shareholders' Agreement	:	The shareholders' agreement dated 8 April 2024 entered into between our Company, IOI Paper and NIP to regulate the relationship of the shareholders of NIP and the conduct of the business and affairs of NIP
Ultimate Ivory	:	Ultimate Ivory Sdn Bhd (Registration No. 201101036581 (964715-T)), a wholly-owned subsidiary of our Company
Valuation Certificate	:	Valuation certificate in relation to the Development Lands prepared by CBRE WTW dated 5 December 2025
Valuation Report	:	Valuation report in relation to the Development Lands prepared by CBRE WTW dated 5 December 2025
Xiamen C&D	:	Xiamen C&D Paper & Pulp Group Co Limited (Unified Social Credit Code: 91350200705467516G), a company incorporated in China

All references to "**our Company**" or "**NGGB**" are to Nextgreen Global Berhad. All references to "**our Group**" or "**NGGB Group**" in this Circular are to our Company and our subsidiaries collectively. All references to "**we**", "**us**" and "**our**" in this Circular are to our Company and where the context otherwise requires, shall include our subsidiaries. All references to "**you**" and "**your**" in this Circular are to our Shareholders.

Words denoting the singular shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference to any act, rule, written law, ordinance, enactment or guideline in this Circular is a reference to that act, rule, written law, ordinance, enactment or guideline as amended or re-enacted from time to time.

Any references to a time of day in this Circular shall be reference to Malaysian time, unless otherwise stated.

Certain amounts and percentage figures included in this Circular have been subject to rounding adjustments. Any discrepancy in the figures included in this Circular between the amounts stated and the totals thereof is due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements.

In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company's plans and objectives will be achieved.

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## EXECUTIVE SUMMARY

**THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSALS. YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR AND THE APPENDICES CONTAINED HEREIN IN ITS ENTIRETY FOR FURTHER DETAILS AND NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSALS BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.**

### 1. SALIENT INFORMATION: DETAILS OF THE PROPOSALS

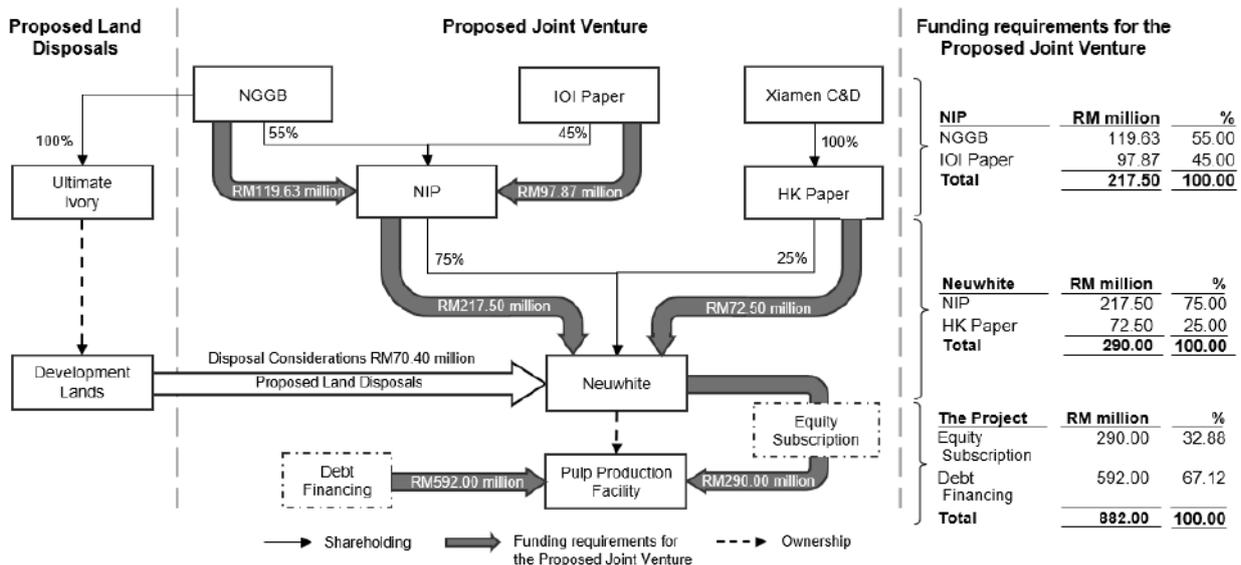
#### Proposed Joint Venture (reference to Section 2.1.1 of this Circular)

On 16 April 2025, our Company, NIP, IOI, HK Paper, Xiamen C&D and Neuwhite had entered into the JVA to regulate their relationship, direct and indirect interests and the conduct of the business and affairs through the SPV Company. On 29 April 2025, Neuwhite was incorporated as the SPV Company to undertake the Project in accordance with the terms of the JVA.

As at the LPD, Neuwhite has yet to make any applications to obtain approvals from the relevant authorities in relation to the development of the Project and is expected to make such applications by end of March 2026 and the development of the Project is expected to commence in the second quarter of 2026 after obtaining all approvals from the relevant authorities. The Project is estimated to complete by June 2028 and the operation of the Pulp Production Facility will commence thereafter immediately. As at the LPD, the estimated development cost for the Project is approximately RM882.00 million. Neuwhite intends to raise up to RM290.00 million through the Equity Subscription and up to RM592.00 million via the Debt Financing to fund the Project.

Our Company is expected to subscribe and/or acquire up to RM119.63 million in the form of NIP Shares and/or RCPS for our contribution of the Equity Subscription to fund the Project.

The shareholding structure of Neuwhite illustrating the Proposals and the funding requirements of the Proposed Joint Venture is depicted as follows:



#### Proposed Land Disposals (reference to Section 2.2.1 of this Circular)

The Proposed Land Disposals entails the proposed disposal of the Development Lands by Ultimate Ivory for a total disposal consideration of RM70,400,277.77 free from all encumbrances, with vacant possession and on an as is where is basis pursuant to the terms and conditions under the Conditional SPAs.

<b>No.</b>	<b>Salient information</b>	<b>Description</b>	<b>Reference to this Circular</b>
2.	<b>Basis and justification for the Disposal Considerations</b>	<p>The Disposal Considerations were arrived at on a 'willing-buyer willing-seller' basis and after taking into consideration, amongst others, the following:</p> <ul style="list-style-type: none"> <li>(i) the market value of the Development Lands of RM73,000,000 or approximately RM900,845.31 per acre, as appraised by the Valuer via its Valuation Report; and</li> <li>(ii) the terms under the JVA that the Disposal Considerations shall be at the price of no more than the market value of the Development Lands as appraised by a qualified land valuer engaged by our Company and in any event, such value shall not exceed RM868,763.84 per acre of the Development Lands that has been levelled and prepared for the construction of the Project.</li> </ul>	<b>Section 2.2.5</b>
3.	<b>Rationale and benefits of the Proposals</b>	<p><b><u>Proposed Joint Venture</u></b></p> <ul style="list-style-type: none"> <li>(i) The Proposed Joint Venture is aligned with our Company's strategic objective of expanding our integrated EFB-based paper pulp mill by leveraging on strategic alliances and partnership with third parties for synergistic benefits such as ready access to raw materials, shared investment to mitigate project risks, combined expertise, strength and capabilities of the JV Parties and access into new markets.</li> <li>(ii) The availability of EFB as raw materials from palm oil mills coupled with abundant supply and proximity of other palm oil mills in Pahang, Negeri Sembilan and Johor, is expected to mitigate supply chain risks and optimise logistics and transportation costs for the Pulp Production Facility.</li> <li>(iii) The Proposed Joint Venture will spread the capital requirement among the JV Parties thus indirectly reducing our Company's financial commitment, strengthening the Project's financing capability and access to funding sources.</li> <li>(iv) The strategic partnership with Xiamen C&amp;D and HK Paper enables our Company to accelerate our ambition to become a leading producer in sustainable paper pulp in Malaysia.</li> </ul>	<b>Section 3.1</b>

No.	Salient information	Description	Reference to this Circular
		<p>(v) Pursuant to the terms of the JVA, Neuwhite had on 9 May 2025 entered into the Off-Take Framework Agreement with Xiamen C&amp;D to establish the general framework for the appointment of Xiamen C&amp;D as the exclusive off-taker and exclusive distributor of the EFB-based paper pulps produced by the Pulp Production Facility (“<b>Output</b>”). As part of the terms of the JVA, Neuwhite will further enter into the Off-Take Agreement to formally appoint Xiamen C&amp;D as the exclusive off-taker and exclusive distributor of the Output. By securing Xiamen C&amp;D, to be a committed buyer for the Output, the Off-Take Agreement provides the Proposed Joint Venture with market access, revenue certainty and sustainable profitability.</p> <p><b><u>Proposed Land Disposals</u></b></p> <p>(i) The Proposed Land Disposals are undertaken as part of our obligation and in accordance with the terms under the JVA, allowing Neuwhite to utilise the Development Lands for the Project.</p> <p>(ii) The Proposed Land Disposals are undertaken in conjunction with the Proposed Joint Venture, as part of our Company’s strategic plan to expand our EFB-based paper pulp production capacity.</p>	<p><b>Section 3.2</b></p>
4.	<p><b>Risk factors of the Proposals</b></p>	<p><b><u>Proposed Joint Venture</u></b></p> <p>The risks factors relating to the Proposed Joint Venture, which are by no means exhaustive, are as follows:</p> <p>(i) Non-fulfilment of obligations under the terms of the Shareholders’ Agreement and JVA;</p> <p>(ii) Joint venture risks;</p> <p>(iii) Dependence on a single customer;</p> <p>(iv) Investment risk;</p> <p>(v) Delay in project delivery;</p> <p>(vi) Financing risk;</p> <p>(vii) Risk of default by Neuwhite;</p> <p>(viii) Political, economic and regulatory factors; and</p> <p>(ix) Foreign exchange risk.</p> <p><b><u>Proposed Land Disposals</u></b></p> <p>The risks factors relating to the Proposed Land Disposals, which are by no means exhaustive, is the delay or non-completion risk.</p>	<p><b>Section 5.1</b></p> <p><b>Section 5.2</b></p>

**EXECUTIVE SUMMARY (Cont'd)**

<b>No.</b>	<b>Salient information</b>	<b>Description</b>	<b>Reference to this Circular</b>
5.	<b>Effects of the Proposals</b>	<p>The effects of the Proposals are as follows:</p> <ul style="list-style-type: none"> <li>(i) The Proposals will not have any effect on the share capital and the substantial shareholdings of our Company as the Proposals do not involve the issuance of new NGGB Shares;</li> <li>(ii) Based on our latest audited consolidated statement of financial position as at 31 December 2024 and assuming that the Proposals had been completed on that date, the Proposals is not expected to have any material effect on the pro forma NA per NGGB Share. The pro forma gearing ratio of our Group will increase from 0.16 times to 0.26 times on the assumption that our Company's funding requirement to NIP of up to RM119.63 million that forms part of the Equity Subscription is funded entirely via external borrowings. Further, our Group's gearing is expected to increase in the future due to the eventual manner in the amount of funding required for the Project; and</li> <li>(iii) The pro forma EPS of our Group will decrease from 21.17 sen to 18.75 sen after taking into consideration the estimated expenses of approximately RM0.65 million, interest cost of RM5.80 million on the assumption that the funding requirement to NIP of up to RM119.63 million that forms part of the Equity Subscription is funded entirely via external borrowings and profit savings of RM3.3 million from repayment of bank borrowings of RM68.00 million pursuant to the utilisation of proceeds from the Proposed Land Disposals. Nevertheless, the Proposed Joint Venture is expected to contribute positively to our Group's future earnings dependent on the income derived from Neuwhite.</li> </ul>	<b>Section 6</b>
6.	<b>Approvals required</b>	<p>The Proposals are subject to the following approvals being obtained:</p> <ul style="list-style-type: none"> <li>(i) our Shareholders at the forthcoming EGM;</li> <li>(ii) the District and Land Office of Pekan, Pahang and Director of Lands and Mines, Pahang in relation to the transfer of the Development Lands pursuant to the Proposed Land Disposals, which form part of the conditions precedent of the Conditional SPAs as disclosed in <b>Section 2 of Appendix VI</b> of this Circular. As at the LPD, the application to the above authorities has yet to be made and is expected to be made upon the completion of the SPA PSK Lot 7436. The transfer of the Development Lands to Neuwhite pursuant to the Proposed Land Disposals is expected to be completed by the third quarter of 2026; and</li> </ul>	<b>Section 7</b>

**EXECUTIVE SUMMARY (Cont'd)**

No.	Salient information	Description	Reference to this Circular
		(iii) any other relevant authorities, if required.	
7.	<b>Conditionality of the Proposals</b>	<p>The conditionality of the Proposals are as follows:</p> <p>(i) the Proposed Land Disposal 1 and the Proposed Land Disposal 2 are inter-conditional upon each other; and</p> <p>(ii) the Proposed Joint Venture and the Proposed Land Disposals are inter-conditional upon each other.</p> <p>The Proposals are not conditional upon any other corporate exercise undertaken or to be undertaken by our Company.</p>	<b>Section 8</b>
8.	<b>Interests of Directors, major shareholders, chief executives and/or persons connected with them</b>	None of the Directors, major shareholders, chief executives of our Company and/or persons connected to them have any interest, direct or indirect, in the Proposals.	<b>Section 10</b>
9.	<b>Directors' statement and recommendation</b>	<p>Our Board, after having considered all aspects of the Proposals, including but not limited to the rationale, benefits and effects of the Proposals, basis and justification of the Disposal Considerations, salient terms of the Shareholders' Agreement, the JVA and the Conditional SPAs and prospects of the Proposed Joint Venture, is of the opinion that the Proposals are in the best interest of our Company.</p> <p>Accordingly, our Board recommends that you <b>VOTE IN FAVOUR</b> of the resolutions pertaining to the Proposals at the forthcoming EGM.</p>	<b>Section 11</b>

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

**Registered Office**  
B-21-1, Level 21, Tower B  
Northpoint Mid Valley City  
No. 1, Medan Syed Putra Utara  
59200 Kuala Lumpur  
Malaysia

26 February 2026

**Board of Directors**

Dato' Dr. Haji Sohaimi Bin Shahadan (Independent Non-Executive Chairman)  
Dato' Lim Thiam Huat (Managing Director)  
Dr. Lim Kah Yen (Executive Director)  
Lim Kah Yee (Executive Director)  
Dato' Mohd Yusof Bin Din (Non-Independent Non-Executive Director)  
See Cherng Jye (Non-Independent Non-Executive Director)  
Teh Chau Chin (Independent Non-Executive Director)  
Maylee Gan Suat Lee (Independent Non-Executive Director)  
Datuk Rawisandran A/L Narayanan (Independent Non-Executive Director)

**To: Our Shareholders**

Dear Sir/Madam,

**(I) PROPOSED JOINT VENTURE; AND**

**(II) PROPOSED LAND DISPOSALS.**

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**1. INTRODUCTION**

On 16 April 2025, we announced that our Company had on the same date entered into the JVA with NIP, IOI, HK Paper and Xiamen C&D to regulate their relationship, direct and indirect interests and the conduct of the business and affairs through an SPV Company upon the terms and conditions set out in the JVA.

On 29 April 2025, the SPV Company was incorporated under the name of Neuwhite. Subsequently, on 9 May 2025, Neuwhite executed a deed of ratification and accession to be included as a party to the JVA.

On 5 December 2025, Affin Hwang IB had, on behalf of our Board, announced further details on the Proposed Joint Venture and as part of the terms under the JVA, Ultimate Ivory, a wholly-owned subsidiary of our Company, had on 5 December 2025 entered into the Conditional SPAs with Neuwhite in respect of the Proposed Land Disposals.

Further details of the Proposals are set out in the ensuing sections of this Circular.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT DETAILS IN RELATION TO THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.**

**SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSALS**

### **2.1 Proposed Joint Venture**

#### **2.1.1 Details of the Proposed Joint Venture**

Nextgreen Pulp & Paper Sdn Bhd, a wholly-owned subsidiary of our Company, has been operating and commercialising the production of paper pulp, made from EFB, using the patented PRC-RBMP technology since July 2022 with a production capacity of 10,000 MT per annum at the GTP. The patented PRC-RBMP technology comprises the following:

- (i) pulp making technology from EFB by using high-density extruding recycling system;
- (ii) a new feed-preparation method used for the EFB before the paper pulp making process; and
- (iii) preparation of the oil palm waste using the PRC-RBMP low carbon recycling, continuous mechanical pulp bleaching system,

was granted on 5 October 2011, 30 April 2013 and 25 November 2019 respectively by Perbadanan Harta Intelek Malaysia to Green Patent Technologies Sdn Bhd, an approximately 65%-owned company held by Dato' Lim Thiam Huat, our Managing Director. The patents will expire on 30 April 2026, 5 October 2026 and 25 November 2026 and are renewable subject to payment of annual renewal fees for the patents to remain in force.

As part of our Company's objective of seeking strategic alliances and joint venture for synergistic benefits to expand our EFB-based paper pulp production facility using the patented PRC-RBMP technology, our Company entered into the Shareholders' Agreement on 8 April 2024 with IOI Paper, a then indirect wholly-owned subsidiary of IOI, and NIP to undertake the Project with the following objectives:

- (i) collaborating with a China-based company specialising in supply chain solutions to undertake the Project through the SPV Company, with NIP holding 75% of the SPV Company's equity interest and the balance 25% by the China-based company;
- (ii) discussing, negotiating and entering into an agreement with the China-based company to regulate the roles and responsibilities of the shareholders in the SPV Company under an agreement to be executed; and
- (iii) securing suitable and sufficient financial resources for the funding of the development and operation of the Project.

Please refer to **Appendix I** of this Circular for the salient terms of the Shareholders' Agreement.

On 10 April 2024, NIP entered into a memorandum of understanding with Xiamen C&D to form a joint venture company to undertake the Project with NIP and Xiamen C&D holding 75% and 25% equity interest in the SPV Company respectively. Subsequently, our Company had entered into the JVA on 16 April 2025.

Please refer to **Appendix II** of this Circular for the salient terms of the JVA.

Following the above and in accordance with the terms of the JVA, Neuwhite was incorporated as the SPV Company on 29 April 2025 to undertake the Project.

As at the LPD, Neuwhite has yet to make any applications to obtain approvals from the relevant authorities in relation to the development of the Project and is expected to make such applications by end of March 2026 and the development of the Project is expected to commence in the second quarter of 2026 after obtaining all approvals from the relevant authorities.

The approvals required for the development of the Project are as follows:

<b>Authority</b>	<b>Description</b>
Majlis Perbandaran Pekan	(i) Development order (ii) Building plan (iii) Business license (factory and office)
Ministry of Investment, Trade and Industry (MITI)	(i) Manufacturing license (ii) Export license
Authorised person under the Street, Drainage and Building Act 1974	(i) Certificate of completion and compliance

The Project is estimated to complete by June 2028 and the operation of the Pulp Production Facility will commence thereafter immediately.

As at the LPD, the estimated development cost for the Project is approximately RM882.00 million comprising the following:

<b>Description</b>	<b>RM'000</b>
Acquisition of the Development Lands	70,400
Civil construction and equipment:	
- Construction engineering	211,381
- Machineries and equipment	329,302
- Installation	107,527
Consultation and professional fees	36,846
Training cost for production staffs	866
Basic contingencies	41,155
Interest during construction	35,559
Initial working capital	49,022
<b>Total</b>	<b>882,058</b>

The Pulp Production Facility will be developed on the Development Lands with a total land area of approximately 81.035 acres located at the GTP. Please refer to **Section 2.2.2** of this Circular for further details on the Development Lands.

The details of the key property, plant and equipment to be acquired and used for the Pulp Production Facility are as follows:

- (i) Major buildings and structures

The main components of building and structures of the Pulp Production Facility comprises raw materials yard, pulping plant, raw material preparation workshop, pulp and board workshop, alkali recovery plant, sodium chlorate warehouse, thermal power station, air compression and oxygen station, clean purification station, circulating cooling water station, sewerage treatment yard, central control building, power substation and mechanical repair workshop with total building area of approximately 182,045 m<sup>2</sup> and total yard area of approximately 135,730 m<sup>2</sup>.

(ii) Main machinery and equipment

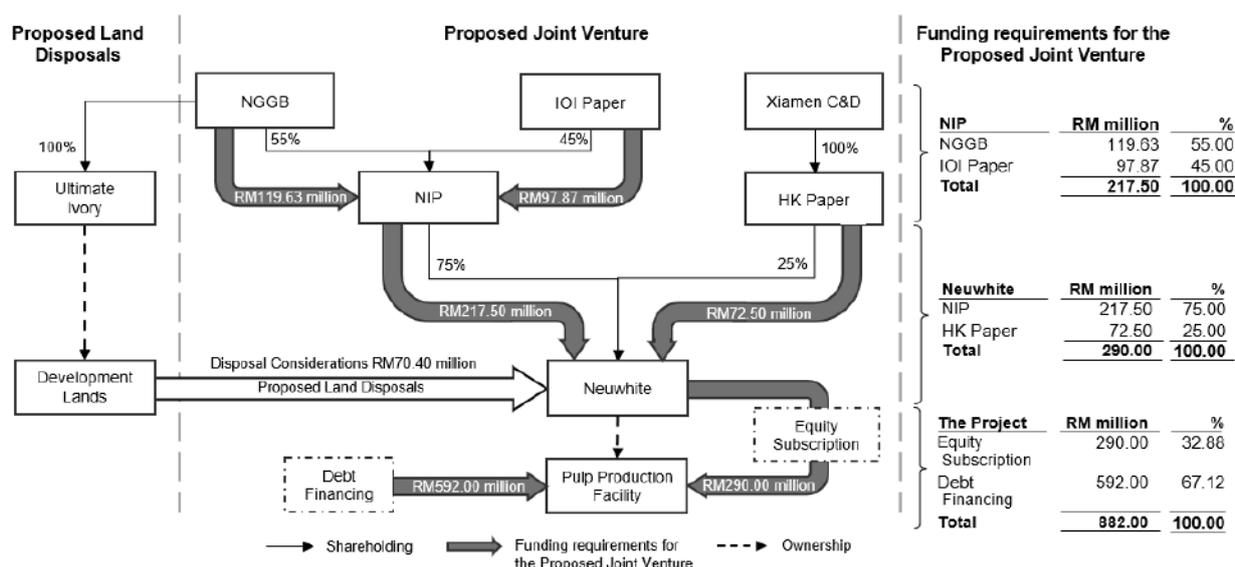
No.	Description	Quantity	Capacity
(a)	Clean water pumps	3 units	Water flux: 720m <sup>3</sup> /hour
(b)	Electric single girder crane and hoist	1 unit	Lifting capacity: 2 MT
(c)	Powdered active carbon metered dosing system	3 units	Dosing pump flow rate: 0 to 1,000 litres/hour
(d)	Electric hoist for dosing room	3 units	Lifting capacity: 0.5 MT
(e)	Biomass boilers	1 unit	90 MT/hour
(f)	Industrial glass-steel counterflow cooling tower	2 units	Circulation capacity: 4,500 m <sup>3</sup> /hour
(g)	Oil palm yarn handling line	6 units	20 MT/hour
(h)	EFB handling line	2 units	20 MT/hour
(i)	Raw material storage silo	2 units	150 m <sup>3</sup>
(k)	Raw material washing and dewatering	2 units	600 m <sup>3</sup> /hour
(l)	Oil palm flakes washing	2 units	600 m <sup>3</sup>
(m)	Dewatering scraper	2 units	600 m <sup>3</sup>

The Pulp Production Facility requires approximately 634,000 MT of EFB annually to meet the annual production capacity of 150,000 MT per annum of paper pulp.

Neuwhite intends to raise up to RM290.00 million through the Equity Subscription and up to RM592.00 million via the Debt Financing to fund the Project.

Our Company is expected to subscribe and/or acquire up to RM119.63 million in the form of NIP Shares and/or RCPS for our contribution of the Equity Subscription to fund the Project. The basis of the RM119.63 million was arrived at based on our Company's effective equity interest of 41.25% in Neuwhite applied to the Equity Subscription of RM290.00 million. For information, our Company's effective equity interest of 41.25% in Neuwhite is derived from our Company's 55% direct equity interest in NIP multiplied by NIP's 75% direct equity interest in Neuwhite.

The shareholding structure of Neuwhite illustrating the Proposals and the funding requirements of the Proposed Joint Venture is depicted as follows:



Please refer to **Section 2.1.5(ii)** of this Circular for further details on the source of funding by our Company in NIP in relation to the Proposed Joint Venture.

## 2.1.2 Background information on the parties to the Shareholders' Agreement and JVA

### (i) Background information on the parties to the Shareholders' Agreement

#### (a) Information on NIP

NIP was incorporated in Malaysia under the Act as a private company limited by shares on 5 April 2024. The principal activity of NIP is investment holding.

As at the LPD, the issued share capital of NIP is RM24,750,000 comprising 3,000,000 NIP Shares and 21,750,000 RCPS. The eventual issued share capital of NIP will increase up to RM217.50 million through the subscription and/or acquisition of NIP Shares and/or RCPS.

Please refer to **Appendix IV** of this Circular for further information on NIP.

#### (b) Information on our Company

Our Company was incorporated in Malaysia under the Companies Act, 1965 as a public limited company on 30 December 2005 under the name of BHS Industries Corporation Berhad and is deemed to be registered under the Act. On 22 February 2006, we changed our name to BHS Industries Berhad and have assumed the present name since 4 December 2017. We were listed on the Second Board of Bursa Securities on 20 November 2007. Following the implementation of a new framework by Bursa Securities of merging all Main Board and the Second Board companies into a single board known as 'Main Market' on 3 August 2009, we were then listed on the Main Board of Bursa Securities (now known as Main Market of Bursa Securities).

Our principal activity is to carry on the business of investment holding and the provision of management services whilst our subsidiaries are involved in printing and publishing books and magazines; industrial park developer; and processing, manufacturing, importing, exporting and trading of pulps and papers, fertilizers, animal feeds and related products from waster products.

As at the LPD, our issued share capital is RM435,661,581.03 comprising 1,093,405,718 Shares. Our Directors are set out below:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
Dato' Dr. Haji Sohaimi Bin Shahadan	Malaysian	Independent Non-Executive Chairman
Dato' Lim Thiam Huat	Malaysian	Managing Director
Dr. Lim Kah Yen	Malaysian	Executive Director
Lim Kah Yee	Malaysian	Executive Director
Dato' Mohd Yusof Bin Din	Malaysian	Non-Independent Non-Executive Director
See Cherng Jye	Malaysian	Non-Independent Non-Executive Director
Teh Chau Chin	Malaysian	Independent Non-Executive Director
Maylee Gan Suat Lee	Malaysian	Independent Non-Executive Director
Datuk Rawisandran A/L Narayanan	Malaysian	Independent Non-Executive Director

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As at the LPD, the substantial shareholders of our Company and their respective shareholdings in our Company are set out below:

Substantial shareholders	Nationality / Country of incorporation	Direct		Indirect	
		No. of NGGB Shares	%	No. of NGGB Shares	%
Dato' Gan Kong Hiok	Malaysian	140,300,600	12.83	<sup>(1)</sup> 33,364,200	3.05
Dato' Lim Thiam Huat	Malaysian	116,338,664	10.64	<sup>(2)</sup> 27,246,100	2.49
Dr. Lim Kah Yen	Malaysian	18,911,000	1.73	<sup>(3)</sup> 116,338,664	10.64
Lim Kah Yee	Malaysian	5,032,000	0.46	<sup>(3)</sup> 116,338,664	10.64
Yuwang Plantation Sdn Bhd	Malaysia	55,000,000	5.03	-	-

**Notes:**

- (1) Deemed interested by virtue of the shares held by his spouse and children pursuant to Section 59 of the Act and his shareholding in Pristine Acres Sdn Bhd pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of the shares held by his children pursuant to Section 59 of the Act.
- (3) Deemed interested by virtue of the shares held by her father pursuant to Section 59 of the Act.

**(c) Information on IOI Paper**

IOI Paper was incorporated in Malaysia under the Act as a private company limited by shares on 29 November 2022. The principal activity of IOI Paper is investment holding.

As at the LPD, the issued share capital of IOI Paper is RM1,660,000 comprising 1,660,000 ordinary shares. The directors of IOI Paper, all of whom are Malaysian, are Dato' Lee Yeow Chor, Amir Mohd Hafiz bin Amir Khalid and Kong Kian Beng.

As at the LPD, IOI Paper is a wholly-owned subsidiary of IOI.

**(ii) Background information on the parties to the JVA**

Save for background information on our Company and NIP which are disclosed in **Section 2.1.2(i)** of this Circular, the background information on the other JV Parties are as follows:

**(a) Information on Neuwhite**

Neuwhite was incorporated in Malaysia under the Act as a private company limited by shares on 29 April 2025. The principal activities of Neuwhite are to carry on the business of manufacturing, import and export of pulp, paper and paperboard. As at the LPD, Neuwhite has yet to commence its business and operation.

As at the LPD, the issued share capital of Neuwhite is RM1,000 comprising 1,000 Neuwhite Shares. The eventual issued share capital of Neuwhite will increase up to RM290.00 million pursuant to the Equity Subscription.

Please refer to **Appendix V** of this Circular for further information on Neuwhite.

**(b) Information on IOI**

IOI was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 31 October 1969 under the name of Industrial Oxygen Incorporated Sdn Bhd and is deemed to be registered under the Act. It was converted into a public limited company on 29 September 1972 and subsequently assumed its current name on 27 March 1995. IOI was listed on the Kuala Lumpur Stock Exchange (KLSE) (now known as Bursa Securities) on 29 July 1980. The principal activity of IOI is to carry on the business of investment holding.

As at the LPD, the issued share capital of IOI is RM814,871,917.63, comprising 6,285,198,995 ordinary shares in IOI ("**IOI Shares**"). The directors of IOI are set out below:

<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
Tan Sri Abdul Wahid bin Omar	Malaysian	Independent Non-Executive Chairman
Dato' Lee Yeow Chor	Malaysian	Group Managing Director and Chief Executive
Dato' Lee Yeow Seng	Malaysian	Non-Independent Non-Executive Director
Dr. Nesadurai Kalanithi	Malaysian	Independent Non-Executive Director
Dato' Kong Sooi Lin	Malaysian	Independent Non-Executive Director
Lim Tuang Ooi	Malaysian	Independent Non-Executive Director
Datuk Zurinah Binti Pawanteh	Malaysian	Independent Non-Executive Director

As at the LPD, the substantial shareholders of IOI and their respective shareholdings in IOI are set out below:

<u>Substantial shareholders</u>	<u>Nationality / Country of incorporation</u>	<u>(1) Direct</u>		<u>(1) Indirect</u>	
		<u>No. of IOI Shares</u>	<u>%</u>	<u>No. of IOI Shares</u>	<u>%</u>
Dato' Lee Yeow Chor	Malaysian	36,500,000	0.58	(2) 3,129,534,980	49.79
Dato' Lee Yeow Seng	Malaysian	-	-	(2) 3,129,534,980	49.79
PHSB	Malaysia	3,129,534,980	49.79	-	-
Employees Provident Fund Board	Malaysia	1,141,166,980	18.16	-	-

**Notes:**

(1) Based on the total number of voting shares of 6,285,198,995 as at the LPD.

(2) Deemed interested by virtue of his interest in PHSB pursuant to Section 8 of the Act.

**(c) Information on HK Paper**

HK Paper was incorporated in Hong Kong under the Companies Ordinance (Cap 32, Laws of Hong Kong) as a limited company on 29 November 2011. The principal activities of HK Paper are to carry on the business of importing, exporting and trading of paper and pulp. The registered office of HK Paper is located at Unit 2306B 23/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

As at the LPD, the issued share capital of HK Paper is HKD1,000,000 comprising 1,000,000 ordinary shares. The directors of HK Paper are Lin Mao, Cheng Dongfang and Zhang Xiaohui.

As at the LPD, HK Paper is wholly-owned subsidiary of Xiamen C&D.

**(d) Information on Xiamen C&D**

Xiamen C&D was incorporated in China under the Company Law of the People's Republic of China and other relevant laws and administrative regulations, as a limited liability company on 22 March 2001. The principal activities of Xiamen C&D are to carry on the business of importing, exporting and trading of paper and pulp. The registered office of Xiamen C&D is located at Floor 24, Jianfa International Building, No. 1699, Huandao East Road, Siming District, Xiamen City, Fujian Province, Republic of China.

Xiamen C&D is a forest pulp and paper supply chain operator in China and one of the leading enterprises in China in terms of paper sales, pulp imports and sales in China.

As at the LPD, the issued share capital of Xiamen C&D is RMB500,000,000 comprising 500,000,000 ordinary shares. The directors of Xiamen C&D are Lin Mao, Jiang Guizhi, Cheng Dongfang, Zhang Xiaohui and Wei Zhuo.

As at the LPD, Xiamen C&D is a wholly-owned subsidiary of Xiamen C&D Inc., a company listed on the Shanghai Stock Exchange.

**2.1.3 Salient terms of the JVA**

Please refer to **Appendix II** of this Circular for the salient terms of the JVA.

**2.1.4 Liabilities to be assumed**

Save for the corporate guarantee or other security required to secure any Debt Financing as set out in **Section 2.1.5(iii)** of this Circular and the obligations and liabilities in and arising from or in connection with the Shareholders' Agreement as set out in **Sections 2 and 4 of Appendix I** of this Circular and the JVA as set out in **Sections 2 and 4 of Appendix II** of this Circular, there are no other liabilities, including contingent liabilities and guarantees, to be assumed by our Group pursuant to the Proposed Joint Venture.

**2.1.5 Source of funding for the Project, the Proposed Joint Venture and additional financial commitment**

**(i) Source of funding for the Project**

As at the LPD, the total development cost for the Project is estimated to be approximately RM882.00 million and shall be raised by Neuwhite in the following manner:

<b>Source of funding</b>	<b>Note</b>	<b>RM million</b>	<b>%</b>
Debt Financing	(a)	592.00	67.00
Equity Subscription	(b)	290.00	33.00
Shareholders' loan	(c)	-	-
<b>Total</b>		<b>882.00</b>	<b>100.00</b>

**Notes:**

- (a) *Debt portion of up to RM592.00 million to be raised by Neuwhite from third parties such as by way of loans from financial institutions or issuance of bonds (conventional or Islamic).*
- (b) *Equity portion of up to RM290.00 million to be raised by Neuwhite from NIP and HK Paper through the issuance of new Neuwhite Shares and/or preference shares of Neuwhite in proportion to their respective shareholding interest in Neuwhite subject always to the issued share capital of Neuwhite not exceeding RM290.0 million as set out below:*

<b>Shareholders</b>	<b>RM million</b>	<b>%</b>
NIP	<sup>(1)</sup> 217.50	75.00
HK Paper	<sup>(2)</sup> 72.50	25.00
<b>Total</b>	<b>290.00</b>	<b>100.00</b>

**Notes:**

- (1) *Represents the equity contribution from NIP to Neuwhite for the Equity Subscription. NIP is expected to raise RM217.50 million through the issuance of new NIP Shares and/or RCPS, to our Company and IOI Paper of up to RM119.63 million and RM97.88 million respectively, in proportion to their shareholdings of 55% and 45% in NIP. Please refer to **Section 2.1.5(ii)** of this Circular for the source of funding by our Company in NIP.*
- (2) *Represents the equity contribution from HK Paper to Neuwhite for the Equity Subscription.*
- (3) *any shareholders' loans or advances from NIP and HK Paper to be determined later and to be approved by the Board of Directors of Neuwhite unanimously. In the event Neuwhite raised loans from its shareholders, namely NIP and HK Paper, the Debt Financing and Equity Subscription will be reduced proportionately.*

**(ii) Source of funding for the Proposed Joint Venture**

Our Company is expected to provide funding requirement to NIP for the purpose of the Proposed Joint Venture of up to RM119.63 million by subscription or acquisition of either:

- (i) NIP Shares;
- (ii) RCPS; or
- (iii) a combination of both.

As at the LPD, our Company has yet to determine the timing and combination of the breakdown of (i) NIP Shares; or (ii) RCPS; or (iii) NIP Shares and RCPS for the funding requirement to NIP. Nevertheless, the timing and the form of funding requirement to NIP will be determined after taking into consideration, amongst others, the progress of the Project's construction milestone, the drawdown of the Debt Financing for the Project and the type of development cost of the Project such as capital expenditure, finance cost or working capital.

For avoidance of doubt, in the event our Company provides the funding requirement to NIP by way of subscription or acquisition of RCPS, such RCPS shall rank pari passu with the existing RCPS and any new NIP Shares arising from the conversion of the RCPS shall rank pari passu with the existing NIP Shares. As at the LPD, our Company has subscribed RM1.65 million of NIP Shares.

Our Company's funding requirement to NIP of up to RM119.63 million will be funded via a combination of external borrowings, equity fund raising and/or internally generated funds of our Company, which will be made in stages over the development period of the Project up to June 2028, being the estimated completion date of the development of the Project. As at the LPD, our Company has yet to determine the breakdown of the external borrowings, equity fund raising and/or internally generated funds to be raised for the purpose of the Proposed Joint Venture. As such, our Company has yet to determine whether the proposed subscription and/or acquisition of NIP Shares and/or RCPS is free from any encumbrances.

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**(iii) Additional financial commitment**

In accordance with the JVA, in the event any guarantee or other security is required to secure any Debt Financing, each of our Company, IOI and HK Paper agreed to provide such corporate guarantees or such other form of security as is required for the purposes of the Debt Financing based on their effective shareholding in Neuwhite at that material time.

For illustration purposes, in the event Neuwhite raises funds of up to RM592.00 million from the Debt Financing, our Company is required to provide up to RM244.20 million of corporate guarantee to Neuwhite, representing our Company's effective equity interest of 41.25% in Neuwhite. As at the LPD, Neuwhite has yet to raise any Debt Financing for the Project and neither has our Company, IOI and HK Paper provided for any corporate guarantees for the Debt Financing.

Save for the above, our Group does not expect to incur any other material financial commitment for the Project.

**2.2 Proposed Land Disposals**

**2.2.1 Details of the Proposed Land Disposals**

Pursuant to the terms and conditions under the Conditional SPAs, Ultimate Ivory agreed to sell and Neuwhite agreed to purchase the Development Lands free from all encumbrances, with vacant possession and on an as is where is basis, for a total disposal consideration of RM70,400,277.77.

**2.2.2 Background information on the Development Lands**

The Development Lands comprise two (2) adjoining parcels of industrial land identified as PT 7436 and PT 7461, Mukim of Lepar, District of Pekan, Pahang located along Jalan Batu Balik, Paloh Hinai, 26650 Pekan, Pahang Darul Makmur.

The Development Lands are in L-shape with a total land area of 32.794 Ha (approximately 81.035 acres). The Development Lands are generally flat and low lying in terrain. It lies slightly lower than the existing frontage metalled road, Jalan Batu Balik.

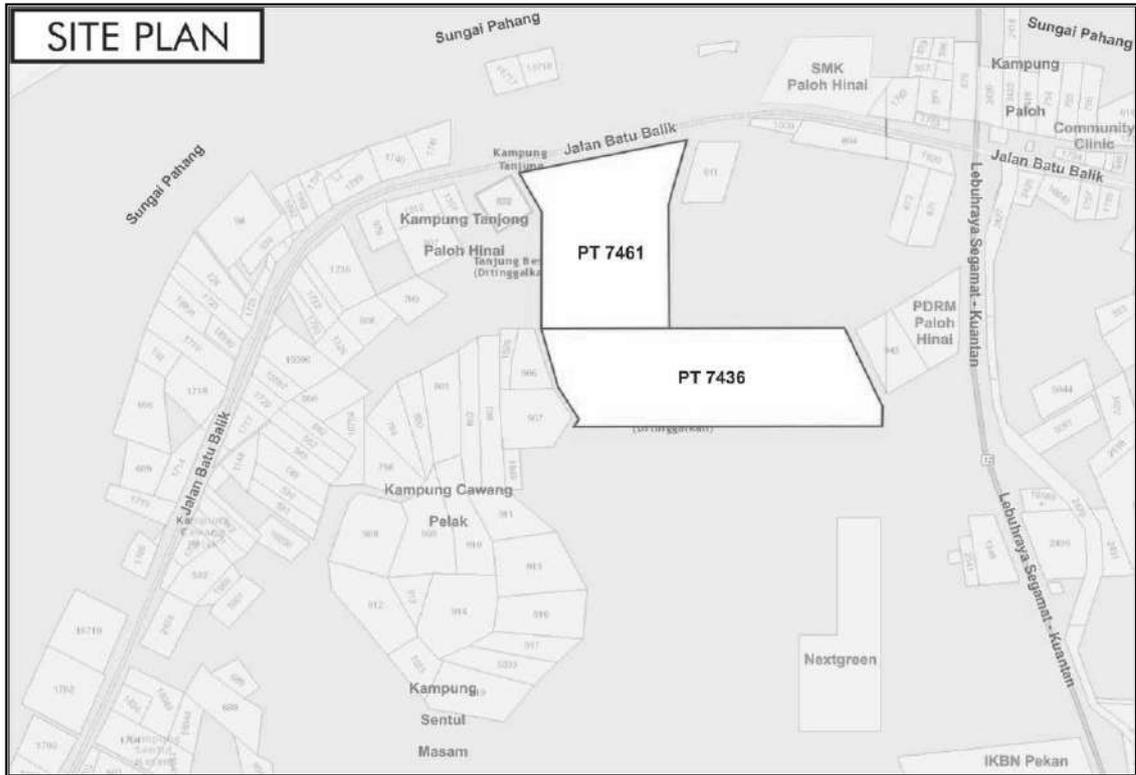
The Development Lands are located about 45 kilometres by road to the west of Pekan Town Centre. They are also located about 55 kilometres by road to the south-west of Kuantan and about 30 kilometres by road to the south of Gambang Town.

They are accessible from Pekan Town Centre via Jalan Sultan Abu Bakar, and thereafter onto Jalan Batu Balik leading to the Development Lands.

The Development Lands are also accessible from Kuantan and Gambang Town Centre via Jalan Gambang, Lebuhraya Segamat-Kuantan and thereafter onto Jalan Batu Balik leading to the Development Lands.

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The Development Lands are edged red as depicted below:



The Development Lands are located within the GTP, an eco-innovative and self-sustaining industrial park designed to promote sustainable industries and renewable technologies. The immediate surrounding of the Development Lands comprise predominantly single storey shop offices, educational institutions, residential housing areas, vacant development land as well as pockets of industrial development.

Further details of the Development Lands are set out as follows:

	Lot 7436	Lot 7461
<b>Title details</b>	H.S.(D) 5589, PT 7436, Mukim of Lepar, District of Pekan, Pahang	H.S.(D) 5630, PT 7461, Mukim of Lepar, District of Pekan, Pahang
<b>Registered owner</b>	PSK Pahang <sup>(1)</sup>	Ultimate Ivory
<b>Land area</b>	18.464 Ha equivalent to 45.625 acres	14.33 Ha equivalent to 35.410 acres
<b>Land tenure</b>	99 years, expiring on 6 June 2119	99 years, expiring on 21 October 2119
<b>Category of land use</b>	Enterprise / Industrial	
<b>Express condition</b>	This land shall be used for industrial purposes only. This land cannot be transferred, leased, or mortgaged except with written permission from the relevant state authority	
<b>Existing use</b>	Vacant	
<b>Future use</b>	To undertake the development and operation of the Pulp Production Facility	
<b>Encumbrances</b>	Nil	

	Lot 7436	Lot 7461
<b>Restriction of interest</b>	Malay reservation <sup>(1)</sup>	Nil
<b>Audited net book value as at 31 December 2024</b>	RM7,087,871.83	RM5,500,825.58
<b>Valuer</b>	CBRE WTW	
<b>Market value ascribed by the Valuer <sup>(2)</sup></b>	RM73,000,000/-	
<b>Method of valuation</b>	Cost Approach	
<b>Date of valuation</b>	28 August 2025	

**Notes:**

- (1) *The SPA PSK Lot 7436 is conditional upon the Malay Reservation status to be revoked within 6 months from the date of the SPA PSK Lot 7436. Pursuant to the Warta Kerajaan, Vol. 79, No. 53 published on 15 January 2026, the Malay Reservation status of Lot 7436 has been revoked on 5 January 2026. Accordingly, the SPA PSK Lot 7436 has already been rendered unconditional and is pending completion in accordance with its terms and conditions. The SPA PSK Lot 7436 is expected to be completed by the first quarter of 2026.*
- (2) *Based on the market value appraised by the Valuer vide its Valuation Certificate and Valuation Report.*

### **2.2.3 Information on Ultimate Ivory, the vendor of the Development Lands**

Ultimate Ivory was incorporated in Malaysia under the Companies Act, 1965 as a private company limited by shares on 18 October 2011 and is deemed registered under the Act. The principal activity of Ultimate Ivory is to carry on the business of developing and managing industrial park.

As at the LPD, the issued share capital of Ultimate Ivory is RM5,000,000 comprising 5,000,000 ordinary shares. The directors of Ultimate Ivory, all of whom are Malaysian, are Dato' Lim Thiam Huat, Dato' Dr. Haji Sohaimi Bin Shahadan, Dato' Sri Azizan Bin Ahmad and Dr. Lim Kah Yen.

As at the LPD, Ultimate Ivory is a wholly-owned subsidiary of our Company.

### **2.2.4 Information of Neuwhite, the purchaser of the Development Lands**

Please refer to **Appendix V** of this Circular for information of Neuwhite.

### **2.2.5 Basis and justification for the Disposal Considerations**

The Disposal Considerations were arrived at on a 'willing-buyer willing-seller' basis and after taking into consideration, amongst others, the following:

- (i) the market value of the Development Lands of RM73,000,000 or approximately RM900,845.31 per acre, as appraised by the Valuer via its Valuation Report; and
- (ii) the terms under the JVA that the Disposal Considerations shall be at the price of no more than the market value of the Development Lands as appraised by a qualified land valuer engaged by our Company and in any event, such value shall not exceed RM868,763.84 per acre of the Development Lands that has been levelled and prepared for the construction of the Project.

In arriving at the market value of the Development Lands, the Valuer has adopted the Cost Approach which entails separate valuations of the Development Lands using comparison approach and Site Preparation Works using cost method.

The value of the Development Lands is arrived at using the comparison approach valued by reference to transactions of similar lands in the locality with adjustments made for differences in location-general, accessibility/visibility, land area, terrain, zoning, public transportation, physical features – waterbodies, negative factor and other relevant characteristics.

The Site Preparation Works are valued by reference to the actual cost for the levelling and preparation of the Development Lands for the Pulp Production Facility together with the access road connecting the Development Lands to the public road, electricity and water to the Development Lands.

The value of the Development Lands and the value of the Site Preparation Works are then aggregated to arrive at the market value of the Development Lands.

The Valuer has adopted the Cost Approach as the only method of valuation due to the physical conditions of the Development Lands which require specification of Site Preparation Works that may differ from other land transactions. The Site Preparation Works is part of the terms of the Conditional SPAs to be performed by Ultimate Ivory. Please refer to **Appendix VII** of this Circular for the Valuation Certificate for the Development Lands.

The Disposal Considerations represents a discount of RM2,599,722.23 or 3.56% to the market value of the Development Lands of RM73,000,000 or approximately RM900,845.31 per acre as appraised by the Valuer.

The Board is of the opinion that the discount is justified after taking into consideration the following factors:

- (i) our Group is able to unlock value of the Development Lands by allowing Neuwhite to utilise the Development Lands for the Project;
- (ii) the Proposed Lands Disposals are obligations of our Company under the JVA as well as the Disposal Considerations represent RM868,763.84 per acre of the Development Lands being the maximum price per acre as stipulated under the terms of the JVA; and
- (iii) our Group is able to accrue benefits from the future income and value creation of the Project.

## 2.2.6 Mode of settlement

In accordance with the Conditional SPAs, the Disposal Considerations shall be settled in the following manner:

In respect of Lot 7436:

<u>Date of settlement</u>	<u>Payment terms</u>	<u>RM</u>
Upon execution of the Conditional SPA	Deposit sum, being 10% of the total disposal consideration <sup>(1)</sup>	3,963,735.02
Within the Completion Period or Extended Completion Period (as defined below)	Balance disposal consideration, being 90% of the total disposal consideration <sup>(2)</sup>	35,673,615.18
<b>Total</b>		<b><u>39,637,350.20</u></b>

In respect of Lot 7461:

<b>Date of settlement</b>	<b>Payment terms</b>	<b>RM</b>
Upon execution of the Conditional SPA	Deposit of 10% of the total disposal consideration <sup>(1)</sup>	3,076,292.75
Within the Completion Period or Extended Completion Period (as defined below)	Balance disposal consideration, being 90% of the total disposal consideration <sup>(2)</sup>	27,686,634.82
<b>Total</b>		<b>30,762,927.57</b>

**Notes:**

- (1) 30% of the deposit will be retained for paying any tax, if any, ("**Tax Retention Sum**") and the balance of 70% of the deposit will be released to Ultimate Ivory within 14 days from the date of presentation of the Memorandum of Transfer for registration at the land office.
- (2) The balance disposal consideration will be paid by Neuwhite within 3 months from the date of the receipt of the last conditions precedent documents ("**Completion Period**") or if Neuwhite fails to pay the balance disposal consideration or any outstanding thereof within the Completion Period, Ultimate Ivory shall automatically, with or without notice, allow an extension of time of one month from the date of expiry of the Completion Period ("**Extended Completion Period**") provided that Neuwhite shall pay to Ultimate Ivory interest on the remaining unpaid balance disposal consideration calculated at the rate of 8.00% per annum on daily basis until full payment of the unpaid balance disposal consideration and the said interest on late payment shall be paid together with the balance disposal consideration. The balance of disposal consideration will be paid to Ultimate Ivory within 14 days from the date of presentation of the Memorandum of Transfer for registration at the land office.

## 2.2.7 Salient terms of the Conditional SPAs

Please refer to **Appendix VI** of this Circular for the salient terms of the Conditional SPAs.

## 2.2.8 Liabilities and guarantees

As part of the terms of the Conditional SPAs, prior to completion of the Conditional SPAs, Ultimate Ivory is to perform the Site Preparation Works which will cost a total of RM59.21 million and is expected to be funded 90% via bank borrowings and the remaining 10% via internally generated funds.

As at the LPD, the completion rate of the Site Preparation Works for Lot 7436 and Lot 7461 have achieved approximately 97.6% and 99.3% respectively. As at the LPD, Ultimate Ivory has incurred approximately RM58.29 million for the Site Preparation Works on the Development Lands.

Save as disclosed above, there are no other liabilities, including contingent liabilities and guarantees, to be assumed by our Group upon the completion of the Proposed Land Disposals.

## 2.2.9 Original cost and date of investment

As at the LPD, the original cost of the Development Lands and respective date of investment is as follows:

<b>Development Lands</b>	<b>Date of investment</b>	<b>Cost of investment (RM' million)</b>		
		<b>Acquisition cost</b>	<b>Other related cost <sup>(3)</sup></b>	<b>Total</b>
Lot 7436	Pending completion <sup>(1)</sup>	1.12	27.86	28.98
Lot 7461	23 October 2025 <sup>(2)</sup>	0.87	41.42	42.29
<b>Aggregate original cost of investment as at the LPD</b>		<b>1.99</b>	<b>69.28</b>	<b>71.27</b>

**Notes:**

- (1) Lot 7436 is pending completion pursuant to the SPA PSK Lot 7436. For information, based on letters from the State Government of Pahang dated 25 January 2016 and 17 February 2017, the State Government of Pahang, amongst others, has agreed to alienate the Development Lands to PSK Pahang and PSK Pahang to dispose the Development Lands to Ultimate Ivory.
- (2) Refers to the date of completion of acquisition of Lot 7461 from PSK Pahang, being the vendor of Lot 7461, by Ultimate Ivory.
- (3) Comprises development cost since year 2016 up to the LPD, Site Preparation Works, stamp duty and legal fee that Ultimate Ivory has incurred on the Development Lands.

Ultimate Ivory is expected to incur further Site Preparation Works and other related acquisition costs of RM1.53 million prior to the completion of the Conditional SPAs. Hence, the aggregate original cost of investment of the Development Lands prior to the completion of the Conditional SPAs is expected to be approximately RM72.81 million.

## 2.2.10 Estimated net pro forma gain or loss on the disposal of the Development Lands

The Proposed Land Disposals will not have any effect on the net pro forma gain or loss to our Group as the Proposed Land Disposals are transactions between the subsidiaries of our Group, being Ultimate Ivory, a wholly-owned subsidiary of our Company and Neuwhite, a 75%-owned subsidiary of NIP, which in turn is a 55%-owned subsidiary of our Company. Accordingly, any effect arising from the Proposed Land Disposals will be eliminated at our Group's consolidated level.

## 2.2.11 Utilisation of proceeds

The Proposed Land Disposals are expected to raise total gross proceeds of RM70,400,277.77 which shall be utilised in the following manner:

<b>Use of proceeds</b>	<b>Expected timeframe for utilisation from the completion of the Proposed Land Disposals</b>	<b>RM'000</b>
Repayment of banking financing <sup>(1)</sup>	Within 3 months	68,000
Working capital <sup>(2)</sup>	Within 24 months	2,400
<b>Total</b>		<b>70,400</b>

**Notes:**

- (1) As at the LPD, the total bank borrowings of our Group stood at approximately RM154.65 million, of which RM146.05 million are long term borrowings and RM8.60 million are short term borrowings. The bank borrowings of our Group comprise terms loans, bank overdraft and bankers acceptance which carries effective interest/profit rates ranging from 4.85% to 5.85% per annum.

Our Company intends to utilise up to approximately RM68.00 million of the proceeds from the Proposed Land Disposals towards the partial repayment of Ultimate Ivory's bank borrowings for a facility amount of RM180.00 million with a tenure of up to 120 months, for the purpose of, amongst others, part financing the land premium, keyman insurance, earthworks and infrastructure/facilities/utilities works and land related works in the GTP ("**Ultimate Ivory Borrowings**"). As at the LPD, RM69.21 million has been drawn down and no repayment has been made under the Ultimate Ivory Borrowings.

For illustration purposes, the repayment of the Ultimate Ivory Borrowings amounting to RM68.00 million is expected to result in profit savings of approximately RM3.30 million per annum, assuming at a profit rate of 4.85% per annum.

Any deviation in the amount utilised for the partial repayment of the Ultimate Ivory Borrowings will be adjusted to/from the amount allocated for working capital.

- (2) *Our Company intends to utilise up to approximately RM2.40 million of the proceeds from the Proposed Land Disposals to fund Ultimate Ivory's working capital requirements as follows:*

<b>Working capital</b>	<b>%</b>
Payment to contractors/trade creditors/professional consultants/interest expenses of Ultimate Ivory in relation to the development of the GTP and Site Preparation Works	50.00
Staff wages and salaries	30.00
Other operating and administrative expenses such as utilities and office upkeep	20.00
<b>Total</b>	<b>100.00</b>

*The actual breakdown of said proceeds to be utilised for each component of Ultimate Ivory's working capital requirements cannot be determined at this juncture and will be dependent on the specific Ultimate Ivory's working capital requirements at the time of utilisation. Any deviation in the breakdown amount above will be adjusted to/from the amount allocated for the payment to contractors/trade creditors/professional consultants/interest expenses of Ultimate Ivory in relation to the development of the GTP and Site Preparation Works.*

*Any deviation in the amount utilised to support Ultimate Ivory's working capital requirements will be adjusted to/from the amount allocated for the partial repayment of Ultimate Ivory Borrowings.*

Pending full utilisation of the proceeds from the Proposed Land Disposals, the proceeds will be placed in profit-bearing deposit accounts with licensed financial institutions and/or in short-term money market instruments. Any profits/interests derived from the deposits with financial institutions and/or any gains arising from the short-term money market instruments will also be allocated for the working capital requirements of our Group.

#### **2.2.12 Cash company or Practice Note 17**

The Proposed Land Disposals are not expected to result in our Company becoming a cash company and/or a Practice Note 17 company under the Listing Requirements.

### **3. RATIONALE AND BENEFITS OF THE PROPOSALS**

#### **3.1 Proposed Joint Venture**

Following the success of our Company commercialising our 10,000 MT of EFB-based paper pulp production facility at the GTP since July 2022, the Proposed Joint Venture aligns with our Company's strategic objective to expand our integrated EFB-based paper pulp mill. This initiative leverages on strategic alliances and partnership with third parties to achieve synergistic benefits, including ready access to raw materials, shared investment to mitigate project risks, combined expertise, strength and capabilities of the JV Parties and access into new markets.

The Pulp Production Facility requires approximately 634,000 MT of EFB annually to support its designed annual production capacity of 150,000 MT per annum of paper pulp. The availability of EFB is supported by Malaysia's palm oil industry, with abundant supply of EFB as raw materials from multiple palm oil mills located within practical proximity to the Pulp Production Facility in Pahang, Negeri Sembilan and Johor. As at December 2024, there was a total of 240 palm oil mills operating in the Peninsular Malaysia out of which 69 palm oil mills are located in Pahang and 77 palm oil mills are located in Negeri Sembilan and Johor, the neighbouring states of Pahang (*Source: Malaysia Palm Oil Board*). Further, based on the NBAP 2023-2030, in year 2022, there was an estimated 7.3 million MT of EFB as by-products from palm oil mills in Malaysia. Our Group's experience in sourcing EFB from diversified suppliers and the geographic proximity of these supply regions are expected to mitigate the supply chain risks and optimise logistics and transportation costs for the Pulp Production Facility.

The development cost of the Project is approximately RM882.00 million which will be funded by the Equity Subscription of up to RM290.00 million and Debt Financing of up to RM592.00 million. The participation of the strategic partners of the Project, namely IOI, being one of the major palm oil producers in Malaysia, listed on Bursa Securities with market capitalisation of RM25.08 billion as at the LPD, and Xiamen C&D, a wholly-owned subsidiary of Xiamen C&D Inc. which is listed on the Shanghai Stock Exchange with market capitalisation RMB27.66 billion (equivalent to RM15.67 billion after applying the RMB to RM at the exchange rate of 0.5667 as at the LPD) (*Source: Bloomberg*), will provide support to fund the Project by way of the Equity Subscription as well as the provision of a corporate guarantee for the Debt Financing. The Proposed Joint Venture will spread the capital requirement among the JV Parties thus indirectly reducing our Company's financial commitment, strengthen the Project's financing capability and access to funding sources.

The strategic partnership with Xiamen C&D and HK Paper enables our Company to accelerate our ambition to become a leading producer in sustainable paper pulp in Malaysia. Xiamen C&D was founded in China in the year 1992 and has been deeply engaged in the industry for more than 30 years. They are pulp and paper supply chain operators in China and have over 50 sales agencies across China serving more than 6,000 downstream customers and overseas markets. The annual business volume of Xiamen C&D reached 15.00 million MT and is one of the leading enterprises in China in terms of paper sales and pulp imports in China. Furthermore, Xiamen C&D's extensive international distribution network in North America, South America and Europe provides the Proposed Joint Venture an accelerated pathway to scale its products reach beyond China and Malaysia, facilitating entry into new markets and strengthening its global presence (*Source: <https://www.chinacnd.com/en/business.html>*).

Pursuant to the terms of the JVA, Neuwhite had on 9 May 2025 entered into the Off-Take Framework Agreement with Xiamen C&D to establish the general framework for the appointment of Xiamen C&D as the exclusive off-taker and exclusive distributor of the EFB-based paper pulp produced by the Pulp Production Facility ("**Output**"). Please refer to **Appendix III** of this Circular for the salient terms of the Off-Take Framework Agreement.

As part of the terms of the JVA, Neuwhite is expected to enter into the Off-Take Agreement in the second quarter of 2026 to formally appoint Xiamen C&D as the exclusive off-taker and exclusive distributor of the Output. By securing Xiamen C&D, to be a committed buyer for the Output, the Off-Take Agreement provides the Proposed Joint Venture with market access, revenue certainty and sustainable profitability. This significantly reduces our Company's exposure to market volatility and enhances the predictability of Neuwhite's cash flows which is critical for the business, operation and capital management for the Project.

In view of the above, the Proposed Joint Venture represents a strategic move for our Group to expand and transform our EFB-based paper pulp facility and is expected to contribute positively to the future earnings of our Group.

### **3.2 Proposed Land Disposals**

The Proposed Land Disposals are undertaken as part of our obligation and in accordance with the terms under the JVA, allowing Neuwhite to utilise the Development Lands for the Project. The Proposed Land Disposals are undertaken in conjunction with the Proposed Joint Venture, as part of our Company's strategic plan to expand our EFB-based paper pulp production capacity.

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## 4. OVERVIEW, OUTLOOK AND PROSPECTS

### 4.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 6.3% in the fourth quarter of 2025 (third quarter of 2025: 5.4%), driven by higher growth in household spending supported by positive labour market conditions and policy measures, higher growth in private investment attributed to stronger machinery and equipment spending, especially for data centre and stronger exports driven by robust electrical & electronics (“E&E”) demand, higher travel receipts and growing exports of information and communication technology (ICT)-related services. On a quarter on quarter seasonally-adjusted basis, the Malaysian economy expanded by 0.8% in the fourth quarter of 2025 (third quarter of 2025: 2.7%). Growth is projected to continue within the range of 4% – 4.5% in 2026. This projection is consistent with the International Monetary Fund (IMF) in the World Economic Outlook Update, July 2025, which forecasts Malaysia’s growth at 4.0% for 2026.

The growth will mainly be underpinned by strong domestic demand, moderate inflation, favourable labour market and proactive policies undertaken by the Malaysian Government. The performance will also be supported by the ASEAN-Malaysia Chairmanship 2025 and Visit Malaysia 2026 (VM2026). The economy continues to be steered by the Ekonomi MADANI framework and the Malaysian Government remains committed to positioning Malaysia as an attractive destination for quality investments. At the same time, ongoing improvements in the wage-setting mechanism and rising business efficiency are expected to strengthen the wage structure, thus contributing to a higher labour income share.

Domestic demand, driven by the private sector, remains firm and continues to anchor overall economic performance. The growth in the first half of 2025 was recorded at 6.5% and is projected to expand by 5.8% in the second half of 2025. It will be driven by an expansion in private sector expenditure, which is forecast at 6.1% in 2025, contributing 4.7 percentage points (“ppt”) to gross domestic product (“GDP”) growth. Meanwhile, public sector expenditure is projected to increase by 6.3%, contributing around 1.1 ppt to GDP growth.

Growth in the manufacturing sector is projected to remain steady at 3% in 2026, supported by both export and domestic-oriented industries. The broader gains from the global technology upcycle is anticipated to continue supporting export-oriented industries. The E&E cluster is expected to remain the key driver, with sustained growth across semiconductor products, particularly in the chips segment, following robust demand for artificial intelligence (“AI”) applications and digitalisation. These developments will further elevate growth prospects and strengthen Malaysia’s position in the global E&E supply chain.

The construction sector expanded strongly by 13.1% in the first half of 2025, supported by solid performance across all subsectors. The non-residential buildings subsector recorded robust expansion, driven by acceleration and realisation of private investment in industrial facilities, commercial complexes and data centres, reflecting sustained business activities and rising digitalisation.

Private investment is anticipated to register a growth of 7.8% in 2026, driven by increased capital spending on structures and machinery & equipment in technology intensive manufacturing and services sectors. The large volume of approved investments is expected to be realised, particularly in semiconductors, renewable energy and data centres. This outlook is reinforced by the strong implementation track record, with the execution of 85.1% manufacturing projects approved between 2021 and June 2025. Strong global demand for E&E, coupled with automation and digitalisation is expected to further stimulate investment in high-value and innovation-led activities. At the same time, ongoing initiatives such as GEAR-uP and the rollout of national masterplans will strengthen investor confidence and Malaysia’s position as a competitive investment destination.

Public investment is anticipated to expand by 7.3% in 2026, mainly driven by increased capital spending by public corporations which are estimated to account for about 70% of total public investment. Growth will be further underpinned by key developments in strategic sectors, including utilities, energy and transportation, to support economic resilience and future growth.

This includes projects to enhance electricity generation capacity, upgrade railway networks and public transport systems. Public investment is also expected to gain momentum in the first year of the Thirteenth Malaysia Plan, driven by the implementation of new people-centric projects aimed at improving public wellbeing, such as the construction of a cancer centre in the northern region, the upgrading of the Miri airport terminal and a programme to strengthen national food security. These initiatives will be supported by Government-Linked Investment Companies' (GLICs) strategic investments in priority sectors. Overall, the public investment activities will further strengthen the national development agenda while promoting inclusive and sustainable growth.

In 2026, gross exports are forecast to increase by 2.8%, particularly for manufactured and agriculture goods, backed by the continued expansion of the E&E sector, driven by higher demand for semiconductor and AI edge applications, as well as competitive commodity prices. The growth is also attributed to stronger external demand from trade expansion following market and product diversifications, on the back of Malaysia's comparative advantage, particularly in semiconductor.

*(Source: Quarterly Bulletin fourth quarter of 2025, Bank Negara Malaysia and Economic Outlook 2026, Ministry of Finance Malaysia)*

## **4.2 Overview and outlook of the Malaysian oil palm biomass industry**

Malaysia's bioenergy sector has seen steady growth, driven by its abundant biomass resources and agricultural strengths. Biomass, a key component of the bioenergy industry, is increasingly recognised for its potential to support renewable energy generation and sustainable material production. As the Malaysian Government pushes towards meeting its 2030 carbon reduction targets, bioenergy has become an essential part of Malaysia's strategy to transition to cleaner energy production.

The NBAP 2023-2030 outlines Malaysia's focus on the abundant biomass resources found in plantations, forests, agriculture, livestock and fisheries sectors. In year 2022, the estimated biomass potential from these sectors is approximately 182.6 million MT per annum, with a significant portion of approximately 155.5 million MT per annum or 85.17% derived from the oil palm biomass industry, including approximately 7.3 million MT of EFB per annum. Based on the data furnished by Malaysia Palm Oil Board ("**MPOB**"), the EFB are available at the palm oil mills with low utilisation rates. Only 41.20% of the survey's respondents returned the EFB to the plantation for the purpose of mulching and 3.8% of engaged palm oil mills used it for the purpose of incineration. In other words, its overall utilisation rate is less than 50%.

Malaysia is known for its vast plantations, particularly oil palm and rubber. Biomass generated from these plantations can be utilised as various value add products. The plantation sector offers abundant biomass resources that can be harnessed for bioenergy generation and bio-materials production. The plantation biomass sector provides huge circular economy opportunities.

As the world's second-largest producer of palm oil, Malaysia generates a substantial amount of palm biomass from its 5.89 million hectares of oil palm plantations. This includes over 94.7 million MT of biomass annually, making palm oil the primary biomass source in the country.

Key by-products include oil palm biomass is derived from a variety of oil palm by products, such as oil palm fronds (OPF) and oil palm trunks (OPT) from plantation operations. While EFB, palm kernel shells (PKS), mesocarp-fibre (MF) and palm oil mill effluent ("**POME**") are generated from the milling operations. The oil palm biomass industry has been growing at a steady pace over the past few years, contributed by the interest and transition towards using low carbon renewable energy.

Malaysian Investment Development Authority (“MIDA”) has approved three projects to produce palm biomass-based products in 2021, with total investments worth RM152.5 million. Foreign investments dominated the industry, bringing in RM148.3 million (97.2%) with estimated 164 jobs creation opportunities. One of the projects approved was from a wholly foreign owned company to produce black pellets from EFB, with a proposed investment of RM123 million and 141 employment opportunities.

The Malaysian Government has acknowledged the significant contribution of biomass resources towards achieving the nation’s Sustainable Development Goals (SDGs). This acknowledgement comes in the form of various incentives and supports provided by key government agencies such as the MIDA, MPOB, Sustainable Energy Development Authority (SEDA), Bioeconomy Corporation and Malaysian Green Technology & Climate Change Corporation (MGTC).

The biomass industry in Malaysia has shown tremendous growth potential in the last decade or so. Malaysia is now producing and exporting solid biofuels such as palm kernel shells and wood pellets to key markets of Japan and the Republic of Korea. The biofertilizer sub-sector has also been growing to meet the demand for sustainable farming using EFB, POME, chicken dung, fish waste, woody biomass, etc.

More focused efforts are needed to ensure that the economic harnessing of Malaysia’s biomass resources is aligned with the concept of circular economy. Such efforts include close engagement and coordination between government and industry, development of effective policy and action plans, collaboration between industry and academia, facilitation to access biomass feedstock and financing.

*(Source: Malaysia Investment Performance Report 2024, MIDA and NBAP 2023-2030)*

#### **4.3 Overview and prospects of the Malaysian paper, printing and publishing industry**

Since its establishment in the 1960s, Malaysia’s paper, printing, and publishing industry has continuously adapted to changing market conditions, consumer preferences, and technological advancements. The industry’s evolution is driven by developments in digital media, e-commerce, and sustainability practices. Recovered paper serves as the primary raw material for recycled pulp, kraft paper, and various paper-based products, catering to sectors like tissue production, diaper manufacturing, and paper packaging.

The industry has attracted substantial investments from both global and local players. Notable global investors such as Best Eternity Recycle Technology, Jingxing Holdings, and ND Paper have injected RM10.4 billion into Malaysia’s paper and paper-based products sector over the past decade. Local companies have also expanded, often through foreign equity acquisition, exemplified by GS Paperboard & Packaging’s RM1.2 billion plant in Selangor, which employs advanced paper-making technology.

In response to the increasing importation of waste paper and the need for sustainable practices, the Malaysian Government instituted specific importation and inspection guidelines for waste paper in 2022. This was accompanied by a temporary two-year moratorium on new and expansion/diversification projects using waste paper as raw material. In alignment with global sustainability trends, industry players have embraced eco-friendly infrastructure, incorporating wastewater treatment facilities and solar power installations.

To balance the need for attracting high-quality investments in producing high-value-added products, meeting local market demands, promoting domestic circular economy initiatives and ensuring environmental sustainability, the Malaysian Government has decided to end the implementation of the moratorium on manufacturing license applications for companies in the paper industry effective 15 March 2024. This strategic move enables new and existing investors to venture into high-end, value-added paper production, including specialty packaging, premium printing materials, and innovative eco-friendly products that cater to both domestic and global markets.

The industry's outlook remains positive, with the global market for paper packaging materials expected to grow to United States Dollar (USD) 493.5 billion by 2027. The coronavirus disease 2019 (COVID-19) pandemic emphasised the importance of safe, hygienic, and secure product delivery through e-commerce. Demand for innovative packaging materials surged as merchants aimed to minimise product loss and contamination risks. Hygienic paper-based products such as wet wipes and tissues remained sought after during the pandemic. Additionally, the shift towards eco-friendly alternatives due to anti-plastic initiatives further benefits the paper industry's growth.

To support this growth, the Malaysian Government offers attractive incentives for companies involved in producing corrugated medium paper, testliner, kraft liner, kraft paper, or paperboards. Eligible companies can benefit from Pioneer Status (PS), which provides an income tax exemption of 70% of statutory income for 5 years, or opt for the Investment Tax Allowance (ITA), granting 60% of qualifying capital expenditure incurred within a five-year period. This allowance can be offset against 70% of statutory income in the year of assessment.

The Malaysian Government actively promotes eco-friendly practices, including improved waste management for wastewater and solid waste, compliance with national standards, and contributions to the circular economy.

(Source: <https://www.mida.gov.my/industries/manufacturing/paper-printing-and-publishing/>, MIDA)

#### 4.4 Prospects of the Proposed Joint Venture

Our Group is principally involved in the following business activities:

<b>Business activities</b>	<b>Details</b>
Manufacturing	Processing, manufacturing, import, export and trading of pulps and papers, fertilizers, animal feeds and related products from waste products
Printing and publishing	Printing of books and magazines or as a book publisher
Property and construction	Industrial park developer and manager, construction and renovation works
Utilities and renewable energy	Raw and waste water treatment, produce and supply of biomass power and energy
Investment holding	Investment holding and provision of management services

Based on our latest audited financial statements for the FYE 31 December 2024, our Group's manufacturing business was the largest revenue contributor to our Group for the FYE 31 December 2024, contributing approximately 87.16% of the total revenue of our Group, followed by printing and publishing businesses (11.02%) and property and construction businesses (1.82%).

Pulps and papers under the manufacturing business remained the cornerstone of our Group's business. Nextgreen Pulp & Paper Sdn Bhd, a wholly-owned subsidiary of our Company, has been operating and commercialising the production of paper pulp with production capacity of 10,000 MT per annum, contributing RM29.42 million or 43.26% of the total revenue of our Group of RM68.00 million in the FYE 31 December 2024, an increase of 15.92% year-on-year from RM25.38 million in the FYE 31 December 2023.

Our Group expects our key focus to be on EFB-based paper pulps under our manufacturing business in line with the development of the Project. The Proposed Joint Venture will expand our Group's existing 10,000 MT per annum of EFB-based paper pulp production facility to a total production capacity of 160,000 MT per annum of EFB-based paper pulp production facility from the 150,000 MT per annum of the Pulp Production Facility, which is capable of converting EFB into non-wood pulp products with minimal waste.

Subject to the execution of the Off-Take Agreement, Xiamen C&D will be the exclusive off-taker and exclusive distributor of the paper pulps produced by the Pulp Production Facility. Xiamen C&D, being a pulp and paper supply chain operator in China, amongst others, distributes pulp to mainly paper mill operators primarily within China, as well as international markets utilising its large network of warehouses and logistics partners.

As at the LPD, the estimated development cost for the Project is approximately RM882.00 million comprising, amongst others, the land cost, the construction cost for plants and warehouses, machineries, interest incurred during the construction period, professional engineering fees and initial working capital. Neuwhite intends to raise up to RM290.00 million through the Equity Subscription and up to RM592.00 million via the Debt Financing to fund the Project. As at the LPD, the development of the Project has yet to commence and is expected to commence in the second quarter of 2026 after obtaining all approvals from the relevant authorities. The Project is estimated to complete by June 2028 and the operation of the Pulp Production Facility will commence thereafter immediately.

For illustration purposes, upon completion of the development of the Project and on the assumption that, amongst others, the Off-Take Agreement has been executed, the Pulp Production Facility achieving full production capacity of 150,000 MT per annum after 2 years of operations and Xiamen C&D having fully purchased the 150,000 MT per annum of EFB-based paper pulp pursuant to the Off-Take Agreement, Neuwhite is expected to generate approximately RM375.03 million in revenue per annum with profit after tax of approximately RM87.71 million per annum. In this regard, the Proposed Joint Venture is expected to contribute positively towards the financial performance of our Group and provides our Group with stable earnings in the future. Under the Off-Take Framework Agreement, all EFB-based paper pulp from the Pulp Production Facility will be sold exclusively to Xiamen C&D and distributed exclusively by Xiamen C&D, with no third-party sales and the same term is expected to be reflected in the Off-Take Agreement.

Pulp and paper are widely used in applications across almost all industry sectors, such as newsprint, industrial brown paper, writing/printing paper, joss paper, toilet/tissue paper, resin impregnated paper, and coated paper. The market for sustainable pulp products is experiencing significant growth, primarily driven by a global shift towards environmental consciousness and evolving consumer preferences for eco-friendly alternatives. According to data from China Paper Association, there were approximately 2,600 paper & board manufacturers in China. The total production and consumption of paper & board in year 2024 was 136.25 million MT (5.09% increase from 129.65 million MT in year 2023) and 136.34 million MT (3.56% increase from 131.65 million MT in year 2023) respectively. The imports of pulp in China amounted to 34.41 million MT in year 2024 (7.18% decrease from 37.07 million MT in year 2023) compared with 0.30 million MT in exports in year 2024 (21.21% increase from 0.24 million MT year 2023). China, being a net importer of pulp, presents opportunities for our Company to meet the prevailing demand (*Source: China Paper Industry 2024 Annual Report by China Paper Association*).

The NBAP 2023-2030 is built upon the foundation of the 12th Malaysia Plan, the 2021-2030 National Agricultural Policy (DAKN 2030), and other policy documents from various departments and central government agencies. It aligns with the five core drivers of DAKN 2030: sustainability, productivity, value creation, market development and inclusivity, along with 17 strategic thrusts. The Government of Malaysia has outlined the NBAP 2023-2030 which strongly supports the circular utilisation of biomass. The plan aims to drive green transformation, improve the domestic biomass utilisation rate, create economic value, stimulate economic growth and enhance employment opportunities. According to the NBAP 2023-2030, Malaysia's EFB output in year 2022 was estimated at approximately 7.3 million MT (*Source: NBAP 2023-2030*).

The conversion of EFB to a valuable and sustainable paper and pulp commodity made from EFB through the usage of the PRC-RBMP technology bodes well with the Government of Malaysia's initiatives and support for green technology and application of oil palm biomass products in the pulp and paper industry through the provision of tax incentives, sales tax and import duty exemption.

The Proposed Joint Venture is expected to positively impact our Group further reinforcing our Group's commitment to a zero waste and circular economy model, all of which are anchored within the GTP.

*(Source: Management of our Company)*

## 5. RISK FACTORS OF THE PROPOSALS

### 5.1 Risks relating to the Proposed Joint Venture

The risks factors relating to the Proposed Joint Venture, which are by no means exhaustive, are as follows:

**(i) Non-fulfilment of obligations under the terms of the Shareholders' Agreement and JVA**

The agreements in relation to the Proposed Joint Venture are subject to fulfilment of obligations of the parties therein, including the execution of the Off-Take Agreement and the licensing agreement referred to in **Section 4 of Appendix II** of this Circular. In the event any of the obligations are not fulfilled, the Proposed Joint Venture may not proceed.

Nevertheless, the parties will endeavour to take all reasonable steps to ensure the fulfilment of the obligations under the agreements.

**(ii) Joint venture risks**

The Proposed Joint Venture is dependent on the ability of our Company and the JV Parties to establish and maintain a collaborative working relationship. While our Company and the JV Parties have expressed mutual interest and strategic alignment in pursuing the objectives of the Proposed Joint Venture, there can be no assurance that differences in corporate culture, management style, operational priorities or strategic direction will not arise. Any incompatibility or misalignment between our Company and the JV Parties may result in delays, inefficiencies or disputes which could adversely affect the implementation and performance of the Project.

Accordingly, we will take reasonable steps to ensure effective communication and alignment of expectations among all parties to mitigate such risks.

**(iii) Dependence on a single customer**

Xiamen C&D will be the exclusive off-taker and exclusive distributor of the EFB-based paper pulps produced by the Pulp Production Facility pursuant to the terms of the Off-Take Framework Agreement and Off-Take Agreement to be entered into between Neuhwhite and Xiamen C&D. Any premature termination, non-renewal or material breach of the Off-Take Agreement could adversely affect the sales, revenue and cash flows of Neuhwhite, which in turn may have an adverse impact on the financial results of our Group.

Notwithstanding the above, it is noted that Xiamen C&D is a wholly-owned subsidiary of Xiamen C&D Inc. which is listed on the Shanghai Stock Exchange with market capitalisation RMB27.66 billion (equivalent to RM15.67 billion after applying the RMB to RM at the exchange rate of 0.5667 as at the LPD) and is one of significant players in pulp and paper supply chain operator in China with over 50 sales agencies across China serving more than 6,000 downstream customers and overseas markets. We will focus on strengthening the long-term commercial relationship with Xiamen C&D by ensuring consistent product quality, reliability of supply, and adherence to agreed specifications. In addition, we will incorporate contractual safeguards within the Off-Take Agreement, such as clear termination provisions, performance obligations and dispute resolution mechanisms to protect our interests.

**(iv) Investment risk**

The Proposed Joint Venture involves a sizeable investment amount from our Company via our equity participation in NIP for the Equity Subscription of up to RM119.63 million. There can be no assurance that the anticipated benefits from the Proposed Joint Venture will be realised or that our Company may be able to generate sufficient returns to offset our investment costs.

This can be attributed to several factors during the development and operation of the Project, such as the increasing competition from other competing players and cost overruns which requires additional funding for the Project.

Notwithstanding the above, we will prioritise close monitoring of the Project's costs and operations based on the targeted timeline to ensure that the realisation of the benefits via the Proposed Joint Venture can be achieved.

**(v) Delay in project delivery**

The development of the Project may take a longer time to complete as compared to the expected timeline due to various factors which are beyond the control of our Company, such as delay in obtaining the approvals of the relevant authorities, which may have an impact towards revenue realisation. There can be no assurance that Neuwhite will not experience significant delays during the course of the development of the Project.

Nevertheless, we will proactively engage with the relevant third parties and/or authorities to obtain all the necessary approvals and consents required within the scheduled timeframe.

**(vi) Financing risk**

As set out in **Section 2.1.5(ii)** of this Circular, our Company intends to fund our obligations under the Proposed Joint Venture via a combination of the proceeds of external borrowings, equity fund raising and/or internal generated funds of our Company. Additionally, as set out in **Section 2.1.5 (iii)** of this Circular, our Company is required to provide up to RM244.20 million of corporate guarantee to Neuwhite as a form of security for the purposes of the Debt Financing. In the event Neuwhite defaults its Debt Financing, our Company may be required to obtain new borrowings to honour the guaranteed obligations.

Nonetheless, there is no assurance that our Company will be able to procure the required funding to meet these funding objectives and obligations, in the event of which our Company may need to seek alternative financing which may be detrimental to our Group. Additionally, any excess financing via bank borrowings may expose our Group to further debt servicing commitments as well as interest rate fluctuations. This may have an adverse impact on our Group's financial position, which may in turn limit our Group's ability to capitalise on opportunities that may be present at the relevant time. Please refer to **Section 6.2** of this Circular for the pro forma effects on the gearing level of our Group.

However, we will endeavour to manage our cash flow and funding requirements prudently to mitigate these risks.

**(vii) Risk of default by Neuwhite**

Neuwhite is required to raise funds of up to RM592.00 million from Debt Financing and our Company is required to provide up to RM244.20 million of corporate guarantee to Neuwhite, representing our Company's effective equity interest of 41.25% in Neuwhite. In the event Neuwhite defaults in the repayment of any Debt Financing secured which our Company has provided corporate guarantees or such other form of security as is required for the purposes of the Debt Financing, the corporate guarantee or security may be called upon or claimed by the financier of the Debt Financing, and our Company will be required to fulfil our obligations to settle the Debt Financing, including raising new borrowings.

Consequently, occurrence of the above events may adversely affect the financial position of our Company. Nonetheless, we will closely monitor the progress of the Project, the cash flows, debt servicing capability and financial gearing of Neuwhite to ensure the timely fulfilment of financial obligations by Neuwhite.

**(viii) Political, economic and regulatory factors**

Any adverse developments in the political, economic and regulatory conditions in Malaysia and China could materially and adversely affect the Project's business, financial performance and prospects. Political and economic uncertainties include but are not limited to, a switch in political leadership and/or changes in the government's policies, interest rates, monetary and fiscal policy, licensing regulations and economic downturn. These factors are generally beyond our management's control.

We seek to manage such risks by monitoring the operating environment and reviewing business strategies in response to such adverse developments. There can be no assurance that adverse changes to the political, regulatory and economics conditions would not have a material impact on our Group's operations and financial performance.

**(ix) Foreign exchange risk**

The acquisition of machineries for the Project, sales of EFB-paper based pulp pursuant to the Off-Take Agreement and financing of the Project, amongst others, may be derived mainly in RMB, thus exposing our Group to foreign exchange risk. The depreciation or appreciation in the RMB and/or other foreign currencies will generally result in foreign exchange gain or loss and therefore may affect Neuwhite's financial results.

As at LPD, our Group is not currently exposed to foreign exchange fluctuations as the development of the Project has yet to commence. Moving forward, we may consider entering into hedging contracts to hedge our exposure to fluctuations in foreign currency exchange rates.

However, there can be no assurance that any adverse fluctuations in foreign currencies against the RM will not result in an adverse impact on our Group's financial performance.

**5.2 Risks relating to the Proposed Land Disposals**

The risks factors relating to the Proposed Land Disposals, which are by no means exhaustive, are as follows:

**(i) Delay or non-completion risk**

The completion of the Proposed Land Disposals is subject to, amongst others, PSK Pahang transferring the legal ownership of Lot 7436 to Ultimate Ivory and the fulfilment of the conditions precedent of the Conditional SPAs. Notwithstanding the SPA PSK Lot 7436 has already been rendered unconditional, as at the LPD, the transfer of the legal ownership of Lot 7436 to Ultimate Ivory pursuant to the SPA PSK Lot 7436 has yet to be completed and is pending execution of the transfer form by PSK Pahang and adjudication of the memorandum of transfer of Lot 7436 to Ultimate Ivory. Ultimate Ivory has executed the transfer form and is currently pursuing and working closely with PSK Pahang to expedite the execution of the transfer form. Accordingly, the completion of the SPA PSK Lot 7426 is expected to be completed by the first quarter of 2026.

Due to the above, the conditions precedent of the Conditional SPAs cannot be fulfilled. Please refer to the salient terms of the Conditionals SPAs as set out in **Appendix VI** of this Circular.

There is no assurance that all such conditions precedent will be fulfilled or obtained and the registration of Lot 7436 under the name of Ultimate Ivory can be completed within the timeframe stipulated in the Conditional SPAs or at all. If any of the conditions precedent are not fulfilled or waived, the Conditional SPAs may lapse. Pursuant thereto, the Proposed Joint Venture may not be able to materialise as the Proposed Joint Venture and the Proposed Land Disposals are inter-conditional to each other.

Notwithstanding the above, the Company will take all necessary steps to ensure that the conditions precedent and the terms and conditions as set out in the Conditional SPAs, including obtaining approvals from the relevant authorities, are fulfilled in a timely manner to facilitate the completion of the Proposed Land Disposals.

## 6. EFFECTS OF THE PROPOSALS

### 6.1 Share capital and substantial shareholders' shareholdings

The Proposals will not have any effect on our Company's share capital and direct and/or indirect substantial Shareholders' shareholding in our Company as the Proposals do not involve the issuance of new NGGB Shares.

### 6.2 NA per NGGB Share and gearing

Based on the latest audited consolidated statements of financial position of our Company as at 31 December 2024 and assuming that the Proposals had been completed on that date, the pro forma effects of the Proposals on the NA per NGGB Share and gearing of our Group are set out below:

	Audited as at 31 December 2024	(I) (1) After subsequent event up to the LPD	(III) After (II) and the Proposals
	RM'000	RM'000	RM'000
Share capital	411,489	435,662	435,662
Reserves	30,755	30,755	(2) 30,105
<b>Total equity attributable to the owners of our Company</b>	<b>442,244</b>	<b>466,417</b>	<b>465,767</b>
No. of NGGB Shares in issue ('000)	1,062,961	1,093,406	1,093,406
NA per Share (RM)	0.42	0.43	0.43
Total borrowings (3) (RM'000)	70,215	70,215	(4) 121,845
Gearing (times)	0.16	0.15	(5) 0.26

#### Notes:

(1) After adjusting for the issuance of 30,445,000 NGGB Shares between 31 December 2024 and up to the LPD pursuant to the private placement exercises as follows:

Listing date	No. of NGGB Shares	Issue price (RM)	Amount (RM)
6 February 2025	5,000,000	0.87	4,350,000
9 July 2025	13,545,000	0.78	10,565,100
17 September 2025	10,000,000	0.80	8,000,000
19 September 2025	1,900,000	0.80	1,257,591
	<b>30,445,000</b>		<b>24,172,691</b>

(2) After taking into consideration the deduction for estimated expenses for the Proposals of approximately RM0.65 million comprising, amongst others, professional fees, fees payable to regulatory authorities, printing and dispatch of this Circular, costs to convene an EGM and other incidental expenses relating to the Proposals.

(3) Comprises hire purchase liabilities, loans & borrowings and lease liabilities as at 31 December 2024.

(4) Assuming the following:

(i) Our Company's funding requirement to NIP of up to RM119.63 million that forms part of the Equity Subscription is funded entirely via external borrowings; and

(ii) After repayment of bank borrowings of RM68.00 million as set out in **Section 2.2.11** of this Circular.

- (5) *The corporate guarantee as set out in **Section 2.1.5(iii)** of this Circular will not have any pro forma effect on the gearing level of our Group. For illustration purposes, assuming that Neuwhite defaults on the Debt Financing of RM590.00 million and our Company is required to fulfil our obligations as a guarantor to settle the Debt Financing via new bank borrowings of RM244.20 million, representing our Company's effective equity interest in Neuwhite, our Group's pro forma gearing level after completion of the Proposals is expected to increase from approximately 0.26 times to approximately 0.79 times based on the latest audited consolidated financial statements of financial position of our Company as at 31 December 2024.*

For information, our Group's gearing is expected to increase in the future due to the eventual manner in the amount of funding required for the Project. As the Proposed Land Disposals are between subsidiaries within our Group, the Proposed Land Disposals will not have any pro forma effect on the consolidated NA, NA per NGGB Share and gearing of our Group based on the latest audited consolidated financial statements of financial position of our Group as at 31 December 2024 as any pro forma effect on the gain or loss from the Proposed Land Disposals will be eliminated at group level.

### 6.3 Earnings and EPS

The Proposed Joint Venture is not expected to have an immediate effect or material effect on our Group's earnings and EPS for the FYE 31 December 2026. Nevertheless, the Proposed Joint Venture is expected to contribute positively to our Group's future earnings dependent on the income derived from Neuwhite.

As the Proposed Land Disposals are between subsidiaries within our Group, the Proposed Land Disposals will not have any pro forma effect on the earnings and EPS of our Group assuming the Proposed Land Disposals had been effected at the beginning of the FYE 31 December 2024 as any pro forma effect on the gain or loss from the Proposed Land Disposals will be eliminated at group level, save for the profit savings of RM3.30 million from the repayment of bank borrowings of RM68.00 million pursuant to the utilisation of proceeds from the Proposed Land Disposals.

For illustrative purposes, based on our latest audited consolidated statements of profit and loss and other comprehensive income of our Company as at 31 December 2024, the pro forma effects of the Proposals on the consolidated earnings and EPS of our Group assuming the Proposals had been effected at the beginning of the FYE 31 December 2024, is set out below:

	<b>Audited for the FYE 31 December 2024</b>	<b>After the Proposals</b>
	<b>RM'000</b>	<b>RM'000</b>
Profit after tax attributable to the owners of our Company	23,079	<sup>(1)</sup> 19,929
No. of NGGB Shares in issue ('000)	1,062,961	1,062,961
EPS (sen)	21.17	18.75

**Notes:**

- (1) *After taking into consideration the following:*
- (i) *The estimated expenses of approximately RM0.65 million in relation to the Proposals*
  - (ii) *After deducting the interest cost amounting to RM5.80 million at an estimated interest rate of 4.85% per annum to be incurred by our Company on the assumption the funding requirement to NIP of up to RM119.63 million that forms part of the Equity Subscription is funded entirely via external borrowings*
  - (iii) *After taking into consideration the profit savings of RM3.30 million from the repayment of bank borrowings of RM68.00 million pursuant to the utilisation of proceeds from the Proposed Land Disposals*

## 7. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (i) our Shareholders at the forthcoming EGM;
- (ii) the District and Land Office of Pekan, Pahang and Director of Lands and Mines, Pahang in relation to the transfer of the Development Lands pursuant to the Proposed Land Disposals, which form part of the conditions precedent of the Conditional SPAs as disclosed in **Section 2 of Appendix VI** of this Circular. As at the LPD, the application to the above authorities has yet to be made and is expected to be made upon the completion of the SPA PSK Lot 7436 by first quarter 2026. The transfer of the Development Lands to Neuwhite pursuant to the Proposed Land Disposals is expected to be completed by the third quarter of 2026; and
- (iii) any other relevant authorities, if required.

## 8. CONDITIONALITY OF THE PROPOSALS

The conditionality of the Proposals are as follows:

- (i) the Proposed Land Disposal 1 and the Proposed Land Disposal 2 are inter-conditional upon each other; and
- (ii) the Proposed Joint Venture and the Proposed Land Disposals are inter-conditional upon each other.

The Proposals are not conditional upon any other corporate exercise undertaken or to be undertaken by our Company.

## 9. OTHER CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, there are no other corporate exercises which have been announced but not yet completed as at the date of this Circular.

## 10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVES AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executives of our Company and/or persons connected to them have any interest, direct or indirect, in the Proposals.

## 11. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, after having considered all aspects of the Proposals, including but not limited to the rationale, benefits and effects of the Proposals, basis and justification of the Disposal Considerations, salient terms of the Shareholders' Agreement, the JVA, the Off-Take Framework Agreement and the Conditional SPAs and prospects of the Proposed Joint Venture, is of the opinion that the Proposals are in the best interest of our Company.

Accordingly, our Board recommends that you **VOTE IN FAVOUR** of the resolutions pertaining to the Proposals at the forthcoming EGM.

**12. HIGHEST PERCENTAGE RATIO**

The highest percentage ratios applicable pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 98.19% based on the Disposal Considerations of approximately RM70.40 million in relation to the Proposed Land Disposals and our Company's proposed subscription and/or acquisition of NIP Shares and/or RCPS (including expected corporate guarantees to be given by our Company) of approximately RM363.83 million in relation to the Proposed Joint Venture over the NA of the our Group as at 31 December 2024 of RM442.24 million.

**13. ESTIMATED TIME FRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposed Land Disposals are expected to be completed by the third quarter of 2026. Meanwhile, the Proposed Joint Venture is expected to be ongoing.

**14. EGM**

The EGM, the notice of which is enclosed in this Circular, will be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur, Malaysia on Friday, 13 March 2026 at 10:00 a.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing, with or without modifications, the resolutions so as to give effect to the Proposals.

If you are unable to participate in the EGM and wish to appoint proxy(ies) instead, the Form of Proxy must be deposited with the Share Registrar of our Company, Aldpro Corporate Services Sdn Bhd, situated at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia or by electronic lodgment via the Digerati Portal at <https://nggb-egm.digerati.com.my> or email to [admin@aldpro.com.my](mailto:admin@aldpro.com.my), not less than forty-eight (48) hours before the time for holding the EGM. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

**15. FURTHER INFORMATION**

You are advised to refer to the attached appendices for further information.

Yours faithfully  
For and on behalf of the Board of  
**NEXTGREEN GLOBAL BERHAD**

**Dato' Lim Thiam Huat**  
Managing Director

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**APPENDIX I – SALIENT TERMS OF THE SHAREHOLDERS’ AGREEMENT**

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The following sets out a summary of the salient terms of the Shareholders’ Agreement:

**1. Shareholding structure of NIP**

The shareholding structure of NIP as at or around the date of the Shareholders’ Agreement are as follows:

Shareholders	No. of NIP Shares	%
NGGB	550	55.00
IOI Paper	450	45.00
<b>Total</b>	<b>1,000</b>	<b>100.00</b>

**2. Financing for NIP’s business**

Unless otherwise agreed by our Company and IOI Paper in writing, the project financing for the Project shall be procured by NIP through 70% financing from third parties pursuant to paragraph (ii) below; and 30% financing from the shareholders of NIP pursuant to paragraph (iii) below.

Subject to the foregoing, any required financing for NIP will be raised, obtained or procured in, amongst other, the following order of priority:

- (i) from NIP’s available cash and free cash flow;
- (ii) in the event that financing under paragraph (i) above is not available or insufficient to meet the requirements of NIP, from third parties by way of loans, issuance of bonds or in such other manner as the board of directors of NIP may deem fit and such finance shall be procured, wherever possible, on the security of the assets of NIP and without additional security by way of guarantee or otherwise from the shareholders of NIP. Unless otherwise agreed, such guarantee or security shall be given in accordance with the shareholders’ proportionate shareholding in NIP;
- (iii) from the shareholders of NIP by way of an issuance of shares for subscription by the shareholders of NIP or by way of shareholder’s loans on such terms as the board of directors of NIP may deem fit, provided that the issuance of any such shares which is not an ordinary share in NIP or the provision of any shareholders’ loan shall be conditional upon the subscriber or lending having the right to convert such shares or outstanding amount of the shareholders’ loan into ordinary shares in NIP based on such conversion terms as the board of directors of NIP may determine;
- (iv) in the event any shareholder of NIP declines to subscribe for such shares or provide any portion of its shareholders’ loan (or any of its affiliate does not do so), the other shareholder may subscribe (or nominate its affiliate to subscribe) for shares not subscribed and/or provide (or nominate its affiliate to provide) such amount of shareholders’ loans not provided, as applicable, *pro rata* to its shareholding percentage; and
- (v) in the event that any shareholder of NIP declines to subscribe for shares and/or declines to provide the shareholders’ loan and such shares and/or shareholders’ loan are then subscribed and/or provided by other shareholder(s) in accordance with paragraph (iv) above, the shareholder of NIP who has declined to subscribe for shares and/or declined to provide the shareholders’ loan shall be deemed to permit a dilution of its shareholding in NIP upon the subscription of shares by the other shareholder(s), or upon the conversion of shares so subscribed by the other shareholder(s) which are not ordinary shares in NIP into ordinary shares, as the case may be.

**3. NIP’s business**

NIP shall be organised for the purpose of:

- (i) collaborating with a China-based company specialising in construction of paper pulp production mills or facilities, through a new company, with NIP holding 75% and the balance of 25% by the China-based company of the equity interest of the new company;
- (ii) discussing, negotiating and entering into a shareholders’ agreement with the China-based company to regulate the roles and responsibilities of the shareholders in the new company;
- (iii) participating as shareholder in the new company and perform its roles and responsibilities under the shareholders’ agreement with respect to the new company; and
- (iv) engaging in all activities (including fund raising and treasury function) and transaction that are necessary in furtherance of the foregoing purposes.

**4. Obligations of the parties to the Shareholders’ Agreement**

Our Company and IOI Paper shall oversee and be responsible for the following matters of NIP and the new company, respectively:

- (i) our Company’s obligations:
  - (a) Execution and operation of the Project;
  - (b) Sourcing of skilled manpower;
  - (c) The attendances to technical issues of the Project;
  - (d) Liaising with the relevant authorities or public agencies and assisting the new company in acquiring all licences, approvals, consents and/or registrations necessary for the development and implementation of the Project and for the operation of the Pulp Production Facility;
  - (e) Procurement of EFB;
  - (f) Business development activities for the Project;
  - (g) Providing technical knowledge and securing the rights for the new company to use the patented PRC-RBMP technology and any improvement thereof (inclusive consultancy services), free from payment of license fee, royalties and other charges, and throughout the operational period of the new company;
  - (h) Securing the Development Lands and all associated rights thereto for the new company for the purpose of the Project and for the operation of the Pulp Production Facility thereon throughout the operational period of the new company; and
  - (i) To comply with all applicable laws to which it may be subjected.
- (ii) IOI Paper’s obligations:
  - (a) Planning and assisting in procurement of EFB for the Project; and
  - (b) Leading any external financing for the Project.

**5. Deed of ratification and accession and transfer of loans, guarantees and/or security obligations**

Notwithstanding any other provisions in the Shareholders’ Agreement or the constitution of NIP, it shall be a condition precedent to the right of any shareholder of NIP to transfer any of its shares that the transferee shall execute a deed of ratification and accession under which it agrees to be bound by and be entitled to the benefit of the Shareholders’ Agreement as if it were an original party hereto in place of the transferor.

The shareholders’ obligation in respect of any guarantee, indemnity and/or security provided in favour of NIP shall (as applicable) be proportionately decreased or completely released and discharged in the event of sale, transfer or disposal of all or part of its shares in NIP, subject to conditions, if any, as may be imposed by the beneficiary of such guarantee, indemnity and/or security including if applicable, a lender under the terms of a third-party financing agreement.

**6. Deadlock**

If at any time a deadlock exists or occurs, the board of directors and shareholders of NIP shall discuss the matter in good faith and act reasonably within ten (10) days following the relevant meetings or such short period as may be necessary according to the circumstances of the matter in question or as may be imposed by any third party or contained in any agreement to which NIP is a party to ("**Resolution Period**"). If the deadlock is not resolved at the relevant meeting, the board of directors and shareholders of NIP may serve on all of the other board of director or shareholders of NIP a notice in writing setting out the matters in disagreement ("**Deadlock Notice**") ("**Deadlock Matter**"). For the avoidance of doubt, our Company shall not transact the matter in question during the Resolution Period.

Upon delivery of the Deadlock Notice, the board of directors and shareholders of NIP shall promptly refer the Deadlock Matter to the respective senior management of the shareholders for discussion and to resolve the Deadlock Matter expeditiously and to its satisfaction.

**7. Events of default**

The Shareholders’ Agreement contains customary default mechanisms and remedies which may be triggered in certain event of default scenarios pertaining to each shareholder, including breach of any warranties, covenants and obligations of the shareholders under the Shareholders’ Agreement and insolvency events.

**8. Default Sale and Default Purchase**

In the event of a breach or default by any of the shareholders ("**Defaulting Shareholder**"), any other shareholder ("**Non-Defaulting Shareholder**") shall be entitled to give a notice ("**Default Notice**") to the Defaulting Shareholder (with a copy to the other Non-Defaulting Shareholders), specifying the breach or default, and where applicable, requiring the Defaulting Shareholder to rectify such breach or default, within a period of 30 days from the date of the Default Notice. If the Defaulting Shareholder fails to remedy the breach specified in the Default Notice, the Non-Defaulting Shareholder shall, without prejudice to any other rights and remedies that the Non-Defaulting Shareholder may have against the Defaulting Shareholder, be entitled to (but not obliged to):

- (i) sell all its shares in NIP to the Defaulting Shareholder at the price of 120% of the fair market value per share ("**Default Sale Price**"); or
- (ii) buy all the shares in NIP owned by the Defaulting Shareholder at the price of 80% of the fair market value per share ("**Default Purchase Price**").

**9. Determination of Fair Market Value**

- (i) The Non-Defaulting Shareholder shall appoint an independent accounting firm from any of the reputable international accounting firms (“**Evaluator**”) to determine the fair value of NIP and the Default Sale Price or Default Purchase Price, as the case may be;
- (ii) The Evaluator will determine the fair market value and the Default Sale Price or Default Purchase Price, as the case may be, taking into account the nature of the business of NIP at that time, NIP’s structure and other considerations normally taken when calculating the fair value of the shares of a company but without any discount for a minority or less than controlling interest or the fact that the shares in NIP are shares of a private company which are not publicly traded; and
- (iii) The Evaluator’s fees and any costs property incurred by the Evaluator in arriving at the fair value determination (including any fees and costs of any advisers appointed by the Evaluator) shall be borne by the Defaulting Shareholder.

**10. Governing law**

The Shareholders’ Agreement shall be governed by and construed in accordance with the laws of Malaysia.

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**APPENDIX II – SALIENT TERMS OF THE JVA**

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The following sets out a summary of the salient terms of the JVA:

**1. Incorporation of the SPV Company**

- (i) Each of NIP and HK Paper shall procure the SPV Company to be incorporated within 10 business days from the date of the JVA, with an issued share capital of RM1,000 comprising 1,000 ordinary shares, which shall be subscribed by each of NIP and HK Paper in the proportions set out in the following:

Shareholders	No. of new ordinary shares subscribed	Subscription Price (RM)	%
NIP	750	750.00	75.00
HK Paper	250	250.00	25.00
<b>Total</b>	<b>1,000</b>	<b>1,000.00</b>	<b>100.00</b>

- (ii) On the date of incorporation, the SPV Company shall become a party to the JVA by entering into the deed of ratification and accession, and the shareholders agree that any of the directors is authorised to execute the deed of ratification and accession on its behalf.
- (iii) On 29 April 2025, the SPV Company was incorporated under the name of Neuwhite. Subsequently, on 9 May 2025, Neuwhite executed a deed of ratification and accession to be included as a party to the JVA.
- (iv) Within 30 days from the date of incorporation, the SPV Company's constitution shall be jointly agreed by both NIP and HK Paper and adopted by the SPV Company, the provisions of which shall not contradict the terms and conditions of the JVA.

**2. Capital for the SPV Company's business**

Unless otherwise agreed by both NIP and HK Paper in writing, any additional capital required for the Pulp Production Facility in addition to the SPV Company's available cash and free cash flow shall be raised by approximately 70% Debt Financing, pursuant to paragraph (i) below, and approximately 30% shall be obtained by the SPV Company from its shareholders pursuant to paragraphs (ii) and (iii) below.

Subject to the foregoing, unless otherwise agreed by both NIP and HK Paper in writing, any further capital which is required by the SPV Company will be raised, obtained or procured in the following order of priority:

- (i) from third parties through Debt Financing, and such financing shall be procured, wherever possible, on the security of the assets or other property rights of the SPV Company solely. If, notwithstanding the best efforts of the SPV Company, any guarantee or other security is required to be provided by the shareholders of the SPV Company to secure any Debt Financing, each of HK Paper, IOI and our Company agrees to provide guarantees or such other form of security as is required for the purposes of the Debt Financing based on their effective shareholding in the SPV Company (where the effective shareholding of IOI and our Company will be computed based on its shareholding in NIP multiplied by NIP's shareholding in the SPV Company);
- (ii) from its shareholders by way of the shareholders' subscription of additional shares in accordance with the terms under the JVA, subject always that the total issued and paid-up share capital of the SPV Company shall not exceed RM290,000,000; and
- (iii) from its shareholders, by way of shareholder's loans, on terms approved the board of directors unanimously. For the avoidance of doubt, none of its shareholders shall be obliged to provide any shareholder's loan to the SPV Company and unless otherwise agreed by the shareholders, none of the shareholder's loan shall be convertible or converted into any shares.

**3. Business of the SPV Company**

The business of the SPV Company shall be:

- (i) to undertake the development and operation of the Project;
- (ii) to engage in all activities (including fund raising and treasury function) and transactions that are necessary in furtherance of the foregoing purposes; and
- (iii) such other business or activities as are agreed between its shareholders unanimously.

**4. Obligations of the JV Parties**

The duties and obligations of each of the JV Parties are as follows:

- (i) NIP's obligations:
  - (a) Conduct of feasibility studies of the Project;
  - (b) Undertaking and coordinating the preparation of the Project;
  - (c) Leading all discussions with suppliers, consultants and contractors in relation to the Project;
  - (d) Leading all discussions and negotiations in respect of obtaining all approvals, licences and permits required under the applicable laws in relation to the Project;
  - (e) Assisting the SPV Company in the procurement of EFB from any person who is not its shareholder or an affiliate of its shareholder;
  - (f) Business development activities for the Project;
  - (g) Leading all discussions with external financiers for the Project; and
  - (h) Assisting the SPV Company in obtaining the relevant technical authorisation required for the Project.
- (ii) HK Paper's obligations:
  - (a) Assisting in the feasibility study of the Project;
  - (b) Assisting in business development activities for the Project;
  - (c) Assisting in procuring external financing for the Project; and
  - (d) Subject to the exclusive Off-Take Agreement having been entered into on terms acceptable to the SPV Company and Xiamen C&D and the SPV Company not in breach of any of the terms of the Off-Take Agreement, procure Xiamen C&D to offtake all of the Output, in accordance with the terms of the Off-Take Agreement.
- (iii) Our Company's obligations:
  - (a) We shall procure our affiliates to enter into a licensing agreement with the SPV Company to grant a non-exclusive, royalty-free, and irrevocable licence for the use of the intellectual property rights owned by our Company and/or our affiliates that are necessary or desirable for the business of the SPV Company. This includes, without limitation, the PRC-RBMP. The licence shall be granted on terms acceptable to all parties and executed as soon as practicable, but in any event no later than 90 days from the date of the JVA.

As at the LPD, our affiliates has yet to enter into a licensing agreement with the SPV Company.

We shall procure our wholly-owned subsidiary, Ultimate Ivory, to enter into a sale and purchase agreement with the SPV Company for the transfer of the Development Lands at a price not exceeding the market value as determined by a valuation report prepared by a qualified land valuer engaged by our Company and, in any case, shall not exceed RM868,763.84 per acre for Development Lands that have been levelled and prepared for the construction of the Pulp Production Facility, inclusive of access public roads, electricity, and water supply to the site.

The Conditional SPAs have been executed by Ultimate Ivory and Neuwhite on 5 December 2025.

## **5. Board of Directors of SPV Company**

The Board of Directors of the SPV Company shall comprise of 5 directors of whom:

- (i) NIP shall be entitled to appoint up to 4 directors (2 nominated by our Company and IOI, respectively); and
- (ii) HK Paper shall be entitled to appoint up to one director.

## **6. Exclusive Distributorship**

### **(i) Exclusive Off-Take and Distributorship Framework Agreement**

Each of NIP, our Company and IOI shall procure the SPV Company, and the SPV Company shall, enter into the Off-Take Framework Agreement with Xiamen C&D and/or its affiliates within three (3) days from the date of incorporation of the SPV Company.

On 9 May 2025, Neuwhite has entered into the Off-Take Framework Agreement with Xiamen C&D.

### **(iii) Off-Take Agreement**

Within six (6) months from the JVA, each of NIP, our Company and IOI shall procure the SPV Company, and the SPV Company shall, negotiate in good faith and enter into the Off-Take Agreement with Xiamen C&D or any of its affiliates. For the avoidance of doubt, the terms as set out in the Off-Take Agreement are not exhaustive and our Company and Xiamen C&D may require provisions that have not been included in the Off-Take Framework Agreement to be included in the Off-Take Agreement.

As at the LPD, Neuwhite has yet to enter into the Off-Take Agreement with Xiamen C&D.

## **7. Deadlock**

If at any time a deadlock exists or occurs, the board of directors and shareholders of the SPV Company shall held relevant meetings to discuss the matter in good faith and act reasonably within ten (10) days as may be necessary according to the circumstances of the matter in question or as may be imposed by any third party or contained in any agreement to which the SPV Company is a party to ("**Resolution Period**"). If the deadlock is not resolved at the relevant meeting, the board of directors and shareholders of the SPV Company shall further discuss with the senior management of the SPV Company during a period of thirty (30) days from the date of a notice issued to the board of directors and shareholders of the SPV Company in relation to the matters in disagreement ("**Deadlock Notice**") ("**Deadlock Matter**"). For the avoidance of doubt, our Company shall not transact the matter in question during the Resolution Period or any period thereafter until and unless the Deadlock Matter has been resolved.

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**APPENDIX II – SALIENT TERMS OF THE JVA (Cont'd)**

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In the event the Deadlock Matter is not resolved for more than ninety (90) days from the date of the Deadlock Notice, HK Paper shall be entitled to, at any time, sell all its shares in the SPV Company to NIP at the price of the paid-up capital in respect of the Neuwite Shares or the fair market value of the Neuwite Shares, by serving a written notice to NIP.

**8. Events of Default**

The JVA contains customary default mechanisms and remedies which may be triggered in certain event of default scenarios pertaining to each shareholder, including breach of any warranties, covenants and obligations of the shareholders under the JVA, insolvency events and change of control events without prior written approval.

**9. Governing Law**

The JVA shall be governed by and construed in accordance with the laws of Malaysia.

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## APPENDIX III – SALIENT TERMS OF THE OFF-TAKE FRAMEWORK AGREEMENT

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The following sets out a summary of the salient terms of the Off-Take Framework Agreement:

### 1. Off-Take and Distribution Right

- (i) Neuwhite shall appoint Xiamen C&D as its exclusive off-taker and exclusive distributor of all the Output in all the countries and territories of the world ("**Territory**"), and Xiamen C&D shall accept the appointment as Neuwhite's exclusive off-take and exclusive distributor of all the Output in the Territory, on the terms and subject to the condition of the Off-Take Agreement to be entered into;
- (ii) Neuwhite agrees to sell to Xiamen C&D and Xiamen C&D agrees to purchase, take delivery of and pay for the Output;
- (iii) In connection with the appointment as contemplated in paragraph (i) above, Neuwhite shall undertake with and covenant with Xiamen C&D that:
  - (a) Neuwhite shall not itself promote, market, sell, distribute, export or supply the Output to any third party in any Territory;
  - (b) Neuwhite shall not, entrust or appoint any person to promote, market, sell, distribute, export or supply the Output to any third party in any Territory, other than the appointment of Xiamen C&D as its exclusive distributor of the Output; and
  - (c) Neuwhite shall direct all enquiries or offers relating to the Output it or its affiliates receives to Xiamen C&D as soon as reasonably practicable.
- (iv) Neuwhite and Xiamen C&D agree and acknowledge that Xiamen C&D shall be entitled to appoint, entrust or sell to any of its affiliates whom it deems appropriate at its sole and absolute discretion to market, distribute and sell the Output in the Territory; and
- (v) Xiamen C&D shall sell the Output to our Company and IOI and their respective affiliates for their own consumption only (and not for further on-sell or disposal) at a preferential rate to be determined between the parties (provided always that such preferential rate does not deviate from the market price substantially), and Xiamen C&D shall prioritise the orders placed by our Company and IOI and their respective affiliates and fulfil such orders first.

### 2. Responsibility of Neuwhite

- (i) Neuwhite shall, at its own cost and expense, provide Xiamen C&D with samples of the Output and all materials relating to the technical specifications related to the Output as soon as reasonably practicable upon receiving a request in writing from Xiamen C&D, in order to support Xiamen C&D's promotion and sales of the Output;
- (ii) Neuwhite shall be responsible for the quality of the Output and shall bear all losses suffered by Xiamen C&D and/or its customers caused by any quality issues with the product. Neuwhite shall also be responsible for replacing the defective Output, at its own cost and expense;
- (iii) Neuwhite shall provide necessary technical support to Xiamen C&D and/or its customers; and
- (iv) Neuwhite shall grant Xiamen C&D and its affiliates a non-exclusive, royalty-free, perpetual and fully paid-up licences to use its trademarks and other intellectual property rights for the promotion, marketing, advertisement, distribution and sale of the Output, for the duration of this Off-Take Framework Agreement.

- (v) Neuwhite shall indemnify Xiamen C&D, and keep Xiamen C&D indemnified, from any losses arising from, related to, or in connection with the infringement of patents or trademarks, or any other similar liabilities arising from the Output.

### **3. Responsibility of Xiamen C&D**

- (i) Xiamen C&D shall use its reasonable endeavours to promote the distribution and sale of the Output;
- (ii) Xiamen C&D shall obtain the necessary license or permits for export of the Output;
- (iii) Xiamen C&D shall not use any of the intellectual property rights of Neuwhite other than for the purposes of, or in connection with, the promotion, marketing, advertisement, distribution or sale of the Output;
- (iv) Xiamen C&D must not:
  - (a) make any modifications to the Output or their labelling or packaging;
  - (b) alter, remove or tamper with any intellectual property rights of Neuwhite, numbers, or other means of identification used on or in relation to the Output;
  - (c) use the intellectual property rights of Neuwhite in any manner other than in advertisements, letterheads or such other form or manner as approved by Neuwhite from time to time unless prior written approval of Neuwhite is obtained; and
  - (d) use any trademarks so resembling the intellectual property rights of Neuwhite as to be likely to cause confusion or prejudice to the distinctiveness of the Output of Neuwhite.
- (v) Xiamen C&D agrees that it shall not, whether through itself or its affiliates, sell the paper pulp made from EFB produced by any third party (and for avoidance of doubt, this shall not include any downstream products made from such EFB-based paper pulp) in any Territory during the term of the Off-Take Agreement. In the event the Off-Take Agreement is terminated due to Xiamen C&D's breach of the same, Xiamen C&D further agrees that it shall not whether through itself or its affiliates, sell the paper pulp made from EFB produced by any third party (and for avoidance of doubt, this shall not include any downstream products made from such EFB-based paper pulp) in any Territory for a period of 2 years from the date of termination of the Off-Take Agreement.

### **4. Liability of Breach of Contract**

In the event a party were to breach the Off-Take Agreement, the parties agree that an appropriate amount of liquidated damages shall be payable, details of which shall be set out in the Off-Take Agreement.

### **5. Term and Termination**

- (i) The Off-Take Agreement shall come into force on the date of its signing and shall be valid and subsisting for an initial period of 5 years and shall be automatically renewed for another subsequent period of 5 years on the same terms as this Off-Take Framework Agreement;
- (ii) If either party ("**Defaulting Party**") commits a material breach of the Off-Take Agreement, the other party ("**Terminating Party**") shall be entitled to give a written notice to the Defaulting Party specifying such default or breach and if such default or breach is capable of being remedied, requiring the Defaulting Party to remedy or make good of such default or breach within 60 days from the date of such notice. If such default or breach is not capable of being remedied or the Defaulting Party fails, neglects or refuses to remedy or make good of such default or breach within 90 days' period, the Terminating Party shall be entitled to forthwith terminate the Off -Take Agreement by written notice to the Defaulting Party;

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**APPENDIX III – SALIENT TERMS OF THE OFF-TAKE FRAMEWORK AGREEMENT** *(Cont'd)*

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- (iii) If either party shall have a receiver and/or manager appointed over it or any part of its undertaking or assets or shall pass a resolution for winding-up (otherwise than for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or a court of competent jurisdiction shall make an order to that effect or if the other party shall become subject to a judicial management order or shall enter into any composition or arrangement with its creditors or shall cease or threaten to cease to carry on business, the other party may terminate the Off-Take Agreement at any time by giving a written notice; and
- (iv) If either party is prevented or delayed in the performance of its obligation for more than 90 days due to a force majeure event, the other party may terminate the Off-Take Agreement immediately at any time by giving a written notice.

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## APPENDIX IV – FURTHER INFORMATION ON NIP

### 1. BACKGROUND

NIP was incorporated in Malaysia under the Act as a private company limited by shares on 5 April 2024. The principal activity of NIP is investment holding.

As at the LPD, NIP does not have any other subsidiaries or associates save for the following subsidiaries:

<u>Name of company</u>	<u>Date / Country of incorporation</u>	<u>Share capital</u>	<u>Equity interest</u>	<u>Principal activities</u>
		RM	%	
Neuwhite	29 April 2025 / Malaysia	1,000	75.00	Manufacturing, import and export of pulp, paper and paperboard
Neuwhite Pulp Sdn Bhd	20 December 2024 / Malaysia	1,000	100.00	Dormant

### 2. SHARE CAPITAL, SHAREHOLDERS AND DIRECTORS OF NIP

As at the LPD, the issued share capital of NIP is RM24,750,000 comprising 3,000,000 NIP Shares and 21,750,000 RCPS. The eventual issued share capital of NIP will increase up to RM217.50 million through the subscription and/or acquisition of NIP Shares and/or RCPS.

Please refer to **Section 5 of this Appendix IV** for the salient terms of the RCPS.

Save for the NIP Shares and RCPS above, as at the LPD, there is no other type of shares or securities in issue in NIP.

As at the LPD, the shareholders of NIP and their respective direct and indirect shareholdings in NIP are set out below:

<u>Shareholders</u>	<u>Nationality / Country of incorporation</u>	<u>Direct</u>		<u>Indirect</u>	
		<u>No. of NIP Shares</u>	<u>(1) %</u>	<u>No. of NIP Shares</u>	<u>(1) %</u>
NGGB	Malaysia	1,650,000	55.00	-	-
IOI Paper	Malaysia	1,350,000	45.00	-	-
IOI	Malaysia	-	-	(2) 1,350,000	45.00
PHSB	Malaysia	-	-	(3) 1,350,000	45.00
Dato' Lee Yeow Chor	Malaysian	-	-	(4) 1,350,000	45.00
Dato' Lee Yeow Seng	Malaysian	-	-	(5) 1,350,000	45.00

#### Notes:

(1) Based on the issued share capital of NIP Shares.

(2) Deemed interested by virtue of its interest in IOI Paper pursuant to Section 8 of the Act.

(3) Deemed interested by virtue of its interest in IOI pursuant to Section 8 of the Act.

(4) Deemed interested by virtue of his interests in IOI and PHSB pursuant to Section 8 of the Act

(5) Deemed interested by virtue of his interest in PHSB pursuant to Section 8 of the Act.

As at the LPD, IOI Paper holds the entire 21,750,000 RCPS in NIP.

## APPENDIX IV – FURTHER INFORMATION ON NIP (Cont'd)

As at the LPD, the directors of NIP and their respective shareholdings in NIP are as follows:

Directors	Nationality	Direct		Indirect	
		No. of NIP Shares	(1) %	No. of NIP Shares	(1) %
Dato' Lim Thiam Huat <sup>(2)</sup>	Malaysian	-	-	-	-
Dr. Lim Kah Yen <sup>(2)</sup>	Malaysian	-	-	-	-
Lim Kah Yee <sup>(2)</sup>	Malaysian	-	-	-	-
Dato' Lee Yeow Chor <sup>(3)</sup>	Malaysian	-	-	<sup>(4)</sup> 1,350,000	45.00
Tan Kean Hua <sup>(3)</sup>	Malaysian	-	-	-	-

### Notes:

- (1) Based on the issued share capital of NIP Shares.
- (2) Representatives of our Company.
- (3) Representatives of IOI.
- (4) Deemed interested by virtue of his interests in IOI and PHSB pursuant to Section 8 of the Act.

### 3. HISTORICAL FINANCIAL INFORMATION OF NIP

The summary financial information of NIP based on its audited financial statements for the FPE from 5 April 2024 (being date of incorporation) to 31 December 2024 and unaudited financial statements for the FYE 31 December 2025 is as follows:

	Audited	Unaudited
	FPE 31 December 2024	FYE 31 December 2025
	RM	RM
Revenue	-	-
Gross profit ("GP")	-	-
Loss before taxation	(9,273)	(37,266)
Loss after taxation	(9,273)	(37,266)
GP margin (%)	-	-
Total current assets	1,000	24,763,954
Total non-current assets	1,000	1,750
Total current liabilities	10,273	62,242
Total non-current liabilities	-	-
Ordinary share	1,000	3,000,000
RCPS	-	21,750,000
(Net liabilities) / NA	(8,273)	24,703,461
Number of ordinary shares (units)	1,000	3,000,000
Number of RCPS (units)	-	21,750,000
Loss per share	(9.27)	(0.01)
(Net liabilities) / NA per ordinary share	(8.27)	8.23
Borrowings	-	-
Gearing ratio (times)	-	-
Current ratio (times)	(0.10)	397.87

**Financial commentaries:****Unaudited FYE 31 December 2025 compared to audited FPE 31 December 2024**

NIP did not record any revenue for the FPE 31 December 2024 and FYE 31 December 2025.

For the FYE 31 December 2025, the loss after tax of NIP increased by RM27,993 (301.88%) from loss after tax of RM9,273 in the preceding financial year to loss after tax of RM37,266 mainly attributable to pre-operating and administrative expenses.

The increase from net liabilities of RM8,273 as at 31 December 2024 to unaudited NA of RM24,703,461 as at 31 December 2025 was attributable to the issuance of RCPS amounting to RM21,750,000 on 30 September 2025.

As at 31 December 2025, NIP does not own any property, plant and equipment. Its assets comprise advances to its subsidiaries, cash and bank balances and investment in subsidiaries.

There were no exceptional or extraordinary items during the FPE 31 December 2024 and FYE 31 December 2025.

The latest audited financial statements of NIP for the FPE 31 December 2024 were not qualified by the auditor.

During the FPE 31 December 2024 and FYE 31 December 2025, there were no accounting policies adopted by NIP which are peculiar to it due to the nature of its business or industry nor any accounting policies which had any effect on the determination of its income or financial position.

**4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at the LPD, save for the proposed subscription and/or acquisition of up to RM217.50 million in the form of NIP's equity contribution for the Equity Subscription to fund the Project, there are no material commitments and contingent liabilities incurred or known to be incurred by NIP, which upon becoming enforceable, may have a material impact on the financial position of NIP.

**5. SALIENT TERMS OF THE RCPS**

The following sets out a summary of the salient terms of the RCPS:

All RCPS shall carry identical rights and shall rank *pari passu* in all respects with one another, but shall carry the following rights, privileges and restrictions:

**(i) Dividend rights**

Each RCPS shall confer on the holder thereof the right to receive, in priority to any payment to the holders of any other class of shares in the capital of NIP, out of the profits of NIP each year available for dividend and resolved to be distributed in respect of any period for which NIP's financial statements are made up, a non-cumulative preferential dividend at rate to be determined by the director of NIP on the capital paid up or credited as paid up thereon.

**(ii) Redemption rights**

- (a) Subject to the provisions of the Act, each RCPS shall be redeemable at the option of the RCPS holder at the redemption price of RM1.00 per RCPS; and
- (b) Redemption of RCPS may only be effected out of (i) profits available for distribution; (ii) the proceeds of a fresh issue of ordinary shares or RCPS made for the purpose of the redemption; or (iii) the capital of NIP, provided that a solvency statement is made by all the directors of NIP and duly lodged in accordance with the Act.

Upon redemption, the redemption amount shall be payable together with all dividends accrued but remaining unpaid up to (and including) the redemption date.

**(iii) Conversion rights**

- (a) Each RCPS shall be convertible into ordinary shares of NIP only upon the exercise of the put and/or call option by either IOI Paper or our Company in accordance with the terms of such options pursuant to the option agreement to be entered into between our Company and IOI Paper in respect of the RCPS;
- (b) The conversion ratio shall be one (1) RCPS for one (1) ordinary share, at the conversion price of RM1.00 per ordinary share; and
- (c) The conversion may be exercised at any time from the date of issuance of the RCPS.

In the event the put or call option is not exercised in full after twelve (12) months from the commencement of the exercisable period (or within such extended period as may be mutually agreed in writing between IOI Paper and our Company) ("**Long Stop Date**"), the RCPS holder shall have the right, but not the obligation, to convert all or any part of its RCPS into ordinary shares of NIP at the conversion rate to be effected at 5% discount to the prevailing conversion price of the ordinary share.

Such conversion shall be effected by the RCPS holder delivering a written notice of conversion to NIP within thirty (30) days from the Long Stop Date, in accordance with the terms of the option agreement to be entered into between our Company and IOI Paper in respect of the RCPS.

**(iv) Voting rights**

Holders of the RCPS shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited financial statements and attending general meetings of NIP provided always that no voting rights shall attach to any of the RCPS and holders of the RCPS shall not have the right to propose or decide any resolutions at any general meeting of NIP except on each of the following circumstances:

- (a) during such period as the preferential dividend or any part thereof remains in arrears and unpaid for a period of six (6) months;
- (b) upon any resolution which varies the rights and privileges attached to such RCPS;
- (c) upon any resolution for the disposal of any substantial undertaking or property of NIP; or
- (d) upon any resolution for the winding up of NIP.

**(v) Priority and raking**

RCPS shall rank in priority to the ordinary shares of NIP in respect of dividend entitlements and repayment of capital.

**(vi) Preference on winding up or disposal**

In the event of any winding up of NIP, or any sale, merger or consolidation involving NIP, the holders of RCPS shall, in priority to the holders of the ordinary shares, be entitled to receive the following amounts:

- (a) the redemption amount;
- (b) any accrued but unpaid dividends; and
- (c) any other preferential entitlement expressly provided in constitution of NIP.

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**APPENDIX IV – FURTHER INFORMATION ON NIP (Cont'd)**

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**(vii) Transferability**

Notwithstanding anything to the contrary expressed or implied in the constitution of NIP, there shall be no restriction on the transfer of RCPS and the directors of NIP shall be obliged to register any transfer of any RCPS.

**(viii) Variation of rights**

Any variation of the rights, privileges or restrictions attached to the RCPS shall require the prior approval of the holders of the RCPS by way of a special resolution passed at a separate class meeting of the RCPS holders.

**(ix) Tenure**

The RCPS does not have a fixed tenure and shall remain existing unless and until conversion/redemption.

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**APPENDIX V – FURTHER INFORMATION ON NEUWHITE**

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**1. BACKGROUND**

Neuwhite was incorporated in Malaysia under the Act as a private company limited by shares on 29 April 2025. The principal activities of Neuwhite are to carry on the business of manufacturing, import and export of pulp, paper and paperboard. As at the LPD, Neuwhite has yet to commence its business and operation.

As at the LPD, Neuwhite does not have any subsidiaries or associates.

**2. SHARE CAPITAL, SHAREHOLDERS AND DIRECTORS OF NEUWHITE**

As at the LPD, the issued share capital of Neuwhite is RM1,000 comprising 1,000 Neuwhite Shares. The eventual issued share capital of Neuwhite will increase up to RM290.00 million pursuant to the Equity Subscription.

Save for the Neuwhite Shares above, as at the LPD, there is no other type of shares or securities in issue in Neuwhite.

As at the LPD, the shareholders of Neuwhite and their respective direct and indirect shareholdings in Neuwhite are set out below:

Shareholders	Nationality / Country of Incorporation	Direct		Indirect	
		No. of Neuwhite Shares	%	No. of Neuwhite Shares	%
NIP	Malaysia	750	75.00	-	-
HK Paper	Hong Kong	250	25.00	-	-
NGGB	Malaysia	-	-	(1) 750	75.00
IOI Paper	Malaysia	-	-	(1) 750	75.00
IOI	Malaysia	-	-	(2) 750	75.00
PHSB	Malaysia	-	-	(3) 750	75.00
Dato' Lee Yeow Chor	Malaysian	-	-	(4) 750	75.00
Dato' Lee Yeow Seng	Malaysian	-	-	(5) 750	75.00
Xiamen C&D	People's Republic of China	-	-	(6) 250	25.00
Xiamen C&D Inc.	People's Republic of China	-	-	(7) 250	25.00

**Notes:**

- (1) Deemed interested by virtue of its interest in NIP pursuant to Section 8 of the Act.
- (2) Deemed interested by virtue of its interest in IOI Paper pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of its interest in IOI pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of his interests in IOI and PHSB pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of his interest in PHSB pursuant to Section 8 of the Act.
- (6) Deemed interested by virtue of its interest in HK Paper pursuant to Section 8 of the Act.
- (7) Deemed interested by virtue of its interest in Xiamen C&D pursuant to Section 8 of the Act.

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**APPENDIX V – FURTHER INFORMATION ON NEUWHITE** *(Cont'd)*

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As at the LPD, the directors of Neuwhite and their respective shareholdings in Neuwhite are as follows:

<b>Directors</b>	<b>Nationality</b>	<b>Direct</b>		<b>Indirect</b>	
		<b>No. of Neuwhite Shares</b>	<b>%</b>	<b>No. of Neuwhite Shares</b>	<b>%</b>
Dato' Lim Thiam Huat <sup>(1)</sup>	Malaysian	-	-	-	-
Lim Kah Yee <sup>(1)</sup>	Malaysian	-	-	-	-
Dato' Lee Yeow Chor <sup>(2)</sup>	Malaysian	-	-	<sup>(4)</sup> 750	75.00
Tan Kean Hua <sup>(2)</sup>	Malaysian	-	-	-	-
Zhang XiaoHui <sup>(3)</sup>	People's Republic of China	-	-	-	-

**Notes:**

- (1) *Representatives of our Company.*
- (2) *Representatives of IOI.*
- (3) *Representative of HK Paper.*
- (4) *Deemed interested by virtue of his interests in IOI and PHSB pursuant to Section 8 of the Act.*

### **3. HISTORICAL FINANCIAL INFORMATION OF NEUWHITE**

As at the LPD, Neuwhite has not closed its financial accounts since its incorporation and does not own any material assets. Accordingly, Neuwhite does not have historical audited or unaudited financial results.

### **4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at the LPD, save for the estimated development cost for the Project of approximately RM882.00 million, there are no material commitments and contingent liabilities incurred or known to be incurred by Neuwhite, which upon becoming enforceable, may have a material impact on the financial position of Neuwhite.

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## APPENDIX VI – SALIENT TERMS OF THE CONDITIONAL SPAS

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The following sets out a summary of the salient terms of the Conditional SPAs:

### 1. Agreement for Sale and Purchase

In consideration of the sum of RM3,963,735.02 for Lot 7436 and RM3,076,292.75 for Lot 7461 payable by Neuwhite within 7 business days from the date of the Conditional SPAs by way of the deposit sum (“**Deposit Sum**”) and part payment towards the disposal consideration of RM39,637,350.20 for Lot 7436 and RM30,762,927.57 for Lot 7461, being an aggregate disposal consideration of RM70,400,277.77, Ultimate Ivory agrees to sell and Neuwhite agrees to purchase the Development Lands free from all encumbrances and with vacant possession upon the terms and conditions of the Conditional SPAs at the Disposal Consideration upon the terms and conditions of the Conditional SPAs.

Notwithstanding anything to the contrary in the Conditional SPAs and for the avoidance of any doubt, the Conditional SPAs are interdependent and neither is to be completed unless the transactions contemplated under the other SPA are also completed concurrently. In this respect, Neuwhite is not obliged to complete the purchase of either of the Development Lands unless the purchase of the other Development Land is completed concurrently. If, for any reason either of the Conditional SPAs is rescinded or terminated, the other SPA will, ipso facto by reason of such rescission or termination be rescinded or terminated.

### 2. Conditions Precedent

The Conditional SPAs are expressly conditional upon Ultimate Ivory and Neuwhite within the period of 6 months from the date of the Conditional SPAs (“**Conditional Period**”) at their respective own cost and expenses having obtained or fulfilled the following conditions precedent (“**Conditions Precedent**”):

- (i) the issuance of document of title to Lot 7436 in the name of Ultimate Ivory as the registered owner, without any endorsement of ‘Malay Reservation’ on the issuance of document of title to Lot 7436 and subject to the category of land as ‘Perusahaan/Perindustrian’ and the express condition that Lot 7436 is to be used for ‘tapak industri’, having been obtained by Ultimate Ivory at its own costs and expenses;
- (ii) the written consent of the appropriate state authority for the transfer of the Development Lands in favour of Neuwhite, having been obtained by Ultimate Ivory at its own costs and expenses;
- (iii) all conditions precedent of the Conditional SPAs, other than the condition precedent as set out in Clauses 2(iv) and (v) below, having been satisfied or waived (as the case may be) in accordance with the terms of the Conditional SPAs;
- (iv) the approval from shareholders of Ultimate Ivory authorising the disposal of the Development Lands to Neuwhite, the execution of the Conditional SPAs, the Memorandum of Transfer (in form of Form 14A of the National Land Code) and all other relevant documents in relation thereto and, where applicable, the affixation of Ultimate Ivory’s common seal onto all relevant documents; and
- (v) the approval from our Shareholders in an EGM for the transaction contemplated under the Conditional SPAs as required pursuant to the Listing Requirements have been obtained.

In the event Ultimate Ivory or Neuwhite is unable to obtain or fulfill the Conditions Precedent within the Conditional Period, there shall be an extension of time for a further period of one month for Ultimate Ivory or Neuwhite to obtain and fulfill the same (“**Extended Conditional Period**”), failing which the parties may mutually agree on a further extension of time for the responsible party to obtain or fulfill the Conditions Precedent.

**3. Balance Disposal Consideration**

- (i) The balance disposal consideration of RM35,673,615.18 for Lot 7436 and RM 27,686,634.82 for Lot 7461 ("**Balance Disposal Consideration**") shall be paid or cause to be paid by Neuwhite within 3 months from the unconditional date of the receipt of the last conditions precedent documents under the Conditional SPAs respectively ("**Unconditional Date**") ("**Completion Period**"); and
- (ii) If Neuwhite shall for any reason whatsoever fail to pay the Balance Disposal Consideration or any outstanding thereof within the Completion Period, Ultimate Ivory shall automatically, with or without notice, allow an extension of time of 1 month from the date of expiry of the Completion Period to pay the Balance Disposal Consideration provided always that Neuwhite shall pay to Ultimate Ivory interest on the remaining unpaid Balance Disposal Consideration calculated at the rate of 8.00% per annum on a day to day basis until full payment shall be paid together with the Balance Disposal Consideration. The Balance Disposal Consideration will be released to Ultimate Ivory upon expiry of 14 days from the date of presentation of Memorandum of Transfer at the relevant land office for registration.

**4. Memorandum of Transfer**

Simultaneous with the execution of the Conditional SPAs, Ultimate Ivory shall execute the Memorandum of Transfer of the Development Lands in favour of Neuwhite and shall deliver and deposit the same with the Neuwhite's solicitors who shall be authorised to present the same for the adjudication after the Unconditional Date. Upon the Memorandum of Transfer being adjudicated, Neuwhite shall pay the stamp duty thereon upon being notified by Neuwhite's solicitors. Thereafter, the duly stamped Memorandum of Transfer shall be held by Neuwhite's solicitors as stakeholders pending completion of the transactions. Neuwhite's solicitors shall present the stamped Memorandum of Transfer together with the original issue document of title to the Development Lands and all other necessary documents, at the relevant land office for registration as soon as practicable after the date of completion.

**5. Default by Neuwhite**

In the event Neuwhite fails to pay the Balance Disposal Consideration on or before the expiry of the Extended Completion Period or commits other material breach of the provisions of the Conditional SPAs and if the same is capable of being remedied, is not remedied within 14 days from the date of being so notified by Ultimate Ivory provided that Ultimate Ivory is not in breach of the Conditional SPAs, Ultimate Ivory shall be entitled to terminate the Conditional SPAs by notice in writing to Neuwhite and forfeit the Deposit Sum as agreed liquidated damages and any sum in excess towards the Balance Disposal Consideration thereof paid by Neuwhite to Ultimate Ivory shall be refunded to Neuwhite with accrued interest within 14 days from the date of notification of termination in exchange for the return of all documents delivered to the Neuwhite's solicitors including but not limited to the Memorandum of Transfer and any other documents with Ultimate Ivory's title and interest remain intact, re-delivery of vacant possession of the Development Lands on an "as is where is" basis, and thereafter the Conditional SPAs shall be null or void and neither party shall have any claims against the other save and except of any antecedent breach.

**6. Default by Ultimate Ivory**

In the event Neuwhite having complied with all the terms and conditions of the Conditional SPAs and Ultimate Ivory shall:

- (i) wilfully fail, refuse or neglect to complete the sale of the Development Lands to Neuwhite free from encumbrances in accordance with the provisions of the Conditional SPAs; or
- (ii) be wound up (whether voluntarily or otherwise); or

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**APPENDIX VI – SALIENT TERMS OF THE CONDITIONAL SPAS (Cont'd)**

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- (iii) commit any material breach of any of the provisions of Conditional SPAs, and if the same is capable of being remedied, is not remedied within 14 days from the date of being so notified by the Neuwhite's solicitors; or
- (iv) fail to complete, at Ultimate Ivory's own costs and expenses and to Neuwhite's satisfaction within 6 months from the date of the Conditional SPAs or on the Completion Date, whichever is earlier, the Site Preparation Works;

Then it is hereby agreed between the parties that without prejudice to any other rights or remedies that Neuwhite may have, Neuwhite shall be entitled to:

- (i) the equitable remedy of specific performance of the Conditional SPAs; or
- (ii) terminate the Conditional SPAs by notice in writing to Ultimate Ivory.

**7. Vacant Possession**

Vacant possession of the Development Lands with Site Preparation Works completed in accordance with the terms of the Conditional SPAs shall be delivered to Neuwhite by Ultimate Ivory within 7 business days upon full payment of the Balance Disposal Consideration to Neuwhite's solicitors as stakeholders notwithstanding the retention of the Tax Retention Sum by Neuwhite's solicitors.

**8. Undertakings from the parties in relation to the Site Preparation Works**

Ultimate Ivory undertakes with Neuwhite that:

- (i) Ultimate Ivory shall complete at its own cost and expenses and to Neuwhite's satisfaction the Site Preparation Works within six (6) months from the date of the Conditional SPAs or on the date on which the full balance of disposal consideration together with any late payment interest is fully paid to Ultimate Ivory ("**Completion Date**"); and
- (ii) Ultimate Ivory shall, within 5 business days upon the completion of the Site Preparation Works, notify Neuwhite of the completion of the Site Preparation Works and Neuwhite shall be entitled to inspect the Site Preparation Works and the condition of the Development Lands.

Neuwhite undertakes with Ultimate Ivory that upon completion of the Site Preparation Works by Ultimate Ivory in accordance with the terms of the Conditional SPAs and Neuwhite being satisfied with the Site Preparation Works, Neuwhite shall submit to Ultimate Ivory a confirmation letter issued by Neuwhite that the Site Preparation Works has been completed by Ultimate Ivory.

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## Report and Valuation

Our Ref: WTW/01/V/003352/25/MAN

5 December 2025

### PRIVATE & CONFIDENTIAL

#### NEXTGREEN GLOBAL BERHAD

Level 6-02, Menara LGB  
No. 1, Jalan Wan Kadir  
Taman Tun Dr Ismail  
60000 Kuala Lumpur, Malaysia



Dear Sir/Madam,

#### CERTIFICATE OF VALUATION

**HSD 5589, PT 7436 & HSD 5630, PT 7461**

**BOTH WITHIN MUKIM OF LEPAR, DISTRICT OF PEKAN, PAHANG**

**FOR SUBMISSION TO BURSA MALAYSIA SECURITIES BERHAD**

**(Along Jalan Batu Balik, Paloh Hinai, 26650 Pekan, Pahang)**

We thank you for your instructions to carry out a formal valuation on the above-mentioned subject property in providing our opinion of the Market Value of the subject property for the purpose of submission to Bursa Malaysia Securities Berhad in relation to the following: -

(I) Proposed subscription of ordinary shares and/or redeemable convertible preference shares in Nextgreen IOI Pulp Sdn Bhd ("NIP"), a 55% -owned subsidiary of Nextgreen Global Berhad ("NGGB"), of up to RM119,625,000 by NGGB for the proposed joint venture between NGGB, NIP, IOI Corporation Berhad, Hong Kong Paper Sources Co., Limited, Xiamen C&D Paper & Pulp Group Co Limited and Neuwhite Paper Pulp Sdn Bhd ("Neuwhite"), a 75%-owned subsidiary of NIP, for the proposed development of a pulp production facility; and

(II) Proposed disposal of two (2) parcels of leasehold industrial land by Ultimate Ivory Sdn Bhd ("UISB"), a wholly-owned subsidiary of NGGB, to Neuwhite for an aggregate total disposal consideration of RM70,400,277.77 to be satisfied fully in cash.

The valuation has been prepared in accordance with the requirements as set out in the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards ("MVS") issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

For all intents and purposes, this Certificate of Valuation should be read in conjunction with the full Report and Valuation.

The basis of the valuation is Market Value which is defined by the MVS to be "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

We have inspected the subject property on 28 August 2025. The material date of valuation is taken as at 28 August 2025.

**CBRE WTW VALUATION & ADVISORY SDN BHD** (197401001098)

Our Ref: WTW/01/V/003352/25/MAN  
Page 2

**TERMS OF REFERENCE**

To assess the market value of the above-mentioned subject property for the purpose of submission to Bursa Malaysia Securities Berhad in relation to the following: -

- (I) Proposed subscription of ordinary shares and/or redeemable convertible preference shares in NIP, a 55% -owned subsidiary of NGGB, of up to RM119,625,000 by NGGB for the proposed joint venture between NGGB, NIP, IOI Corporation Berhad, Hong Kong Paper Sources Co., Limited, Xiamen C&D Paper & Pulp Group Co Limited and Neuwhite, a 75%-owned subsidiary of NIP, for the proposed development of a pulp production facility; and
- (II) Proposed disposal of two (2) parcels of leasehold industrial land by UISB, a wholly-owned subsidiary of NGGB, to Neuwhite for an aggregate total disposal consideration of RM70,400,277.80 to be satisfied fully in cash.

The valuation is carried out based on the following **BASIS**:-

- i) The subject property comprises two (2) adjoining parcels of industrial land with a total land area of 32.794 hectares (approximately 81.036 acres / 3,529,913 square feet);
- ii) This valuation is conducted based on the terms and conditions as stated in the draft SPAs of the subject property to be entered between UISB (the vendor) and Neuwhite (the purchaser), which are interconditional with each other and where both SPAs must be completed simultaneously;
- iii) The issuance of document of title to Lot No. PT 7436 in the name of UISB as the registered owner, without any endorsement of "Malay Reservation" on the issuance of document of title of Lot No. PT 7436 and subject to the category of land as 'Perusahaan/Perindustrian' and the express condition that Lot No. PT 7436 is to be used for 'tapak industri', having been obtained by UISB at its own costs and expenses, as stated in the draft SPA between UISB and Neuwhite for Lot No. PT 7436; and
- iv) The subject property will be completed with the levelling and site preparation of the land for the pulp production facility together with the access road connecting the land to the public road, electricity and water supply to the land for both Lot Nos. PT 7436 and PT 7461 as part of undertaking by UISB as stated in both draft SPAs between UISB and Neuwhite.

**IT IS TO BE NOTED THAT THE VALUATION IS BASED ON THE ABOVE BASIS WHICH ARE ASSUMED TO BE VALID AND CORRECT. WE RESERVE THE RIGHT TO MAKE AMENDMENTS (INCLUDING THE MARKET VALUE) IF ANY OF THE ABOVE BASIS IS INVALID/INCORRECT.**

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

Our Ref: WTW/01/V/003352/25/MAN  
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**PROPERTY IDENTIFICATION**

The property : Two (2) adjoining parcels of leasehold industrial land

Location : Along Jalan Batu Balik, Paloh Hinai, 26650 Pekan, Pahang

Title Nos., Lot Nos. & Provisional Land Area :

Title Nos.	Lot Nos.	Provisional Land Area	
		(Hectares)	(Acres)
HSD 5589	PT 7436	18.464	45.625
HSD 5630	PT 7461	14.330	35.410
<b>Total</b>		<b>32.794 Hectares (approximately 81.035 acres/ 3,529,913 square feet)</b>	

All within Mukim of Lepar, District of Pekan, Pahang

Tenure : Lot No. PT 7436  
Leasehold 99 years expiring on 6 June 2119  
(Unexpired term of approximately 94 years)

Lot No. PT 7461  
Leasehold 99 years expiring on 21 October 2119  
(Unexpired term of approximately 94 years)

Registered Owner : Lot No. PT 7436  
PERBADANAN SETIAUSAHA KERAJAAN PAHANG (“PSK”)<sup>Note1</sup>

Lot No. PT 7461  
ULTIMATE IVORY SDN. BHD.

Beneficial Owner as per Sale and Purchase Agreement : Lot No. PT 7436  
ULTIMATE IVORY SDN. BHD.  
as per the Sale and Purchase Agreement (“SPA”) dated 17 October 2025

Category of Land Use : Lot Nos. PT 7436 & PT 7461  
“Perusahaan/Perindustrian”

Express Condition : Lot Nos. PT 7436 & PT 7461  
“Tanah ini hendaklah digunakan untuk Tapak Industri sahaja”

Restriction In Interest : Lot Nos. PT 7436 & PT 7461  
“Tanah ini tidak boleh dipindahmilik, dipajak, digadai melainkan setelah mendapat kebenaran bertulis daripada Pihak Berkuasa Negeri.”

Encumbrances : Lot Nos. PT 7436 & PT 7461  
Nil

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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Page 4

**PROPERTY IDENTIFICATION (Cont'd)**

Malay Reservation<sup>\*Note2</sup> : Lot No. PT 7436  
 "Dalam Kawasan Rezab Melayu"  
 "Kemasukan dalam Rezab Melayu"  
 \*Based on title search dated 7 November 2025

Lot No. PT 7461  
 Nil

\*Note1 : On 17 October 2025, UISB had entered into a SPA with PSK for the proposed acquisition of Lot No. PT 7436, which is still pending completion.

\*Note2 : Based on a letter issued by PSK dated 13 October 2025, bearing reference no. SUK.PHG/BPEN.002/8.10.403 JLD 4 (80), it is noted that the application for the revocation and registration of the endorsement of the revocation of the Malay Reservation status in respect of Lot No. PT 7436, Mukim of Lepar, District of Pekan, Pahang is currently in process and remain under consideration by the State Authority.

The transaction of subject property is tabulated as follows: -

Date of Sale and Purchase Agreement(s)	Lot Nos.	Vendor	Purchaser	Sale & Purchase Consideration <sup>*Note</sup>	Remarks
11 August 2025	PT 7461	PSK	UISB	RM873,446.66	The SPA has been fully completed, and the title has been transferred and registered in the name of UISB.
17 October 2025	PT 7436			RM1,125,466.15	The SPA has yet to be completed, as the land title remains under PSK and the transfer of ownership to UISB is still in progress.

Note:

The purchase consideration for PT 7461 and PT 7436 of RM873,446.66 and RM1,124,466.15 respectively was agreed based on a letter from PSK to UISB dated 13 October 2016. Further, pursuant to the terms of the SPAs between PSK and UISB for PT 7461 and PT7436 dated 11 August 2025 and 17 October 2025 respectively, we noted that the terms were based on an "as is where is basis" including but not limited to UISB shall bear all costs and expenses related to the subject property such as building related infrastructure including survey works, site clearing, access roads, sewerage, water and lighting and shall not seek reimbursement from PSK for any such costs incurred under any circumstances. We also noted that part of the terms of the draft SPAs to be entered between UISB (vendor) and Neuwhite (purchaser) pursuant to the Proposed Land Disposals includes UISB's obligation with the levelling and site preparation of the subject property for the pulp production facility together with the access road connecting the subject property amounting to RM59.22 million, reflecting the change in condition and market value of the subject property.

**GENERAL DESCRIPTION**

The subject property comprises two (2) adjoining parcels of industrial land identified as Lot Nos. PT 7436 and PT 7461, Mukim of Lepar, District of Pekan, Pahang located along Jalan Batu Balik, Paloh Hinai, 26650 Pekan, Pahang.

The combined site is in L-shape with a total land area of 32.794 Hectares (approximately 81.036 acres / 3,529,913 square feet). The land is generally flat and lowlying in terrain and lies slightly lower than the existing frontage metalled road, Jalan Batu Balik.

During our site inspection, we observed that site clearance and earthworks were in progress on northern portion of Lot No. PT 7461 and western portion of Lot No. PT 7436, whilst the remaining portion was covered in shrubs, bushes, wild trees and ponds.

Based on a letter issued by Jabatan Alam Sekitar Negeri Pahang dated 3 January 2020, it is noted that UISB has obtained Environmental Impact Assessment approval for the proposed GTP.

**CBRE WTW VALUATION & ADVISORY SDN BHD** (197401001098)

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**GENERAL DESCRIPTION (Cont'd)**

Subsequently, based on a letter issued by PSK dated 22 August 2025, it is noted that PSK has no objection for UISB to undertake early commencement of survey works, preliminary land works and related works for the GTP, subject to compliance with the requirements of the relevant authorities.

We were given to understand that UISB has undertaken preliminary site preparation works as part of its obligations as the master developer of the GTP and vendor of the subject property pursuant to the SPAs and is in the process making relevant application to Majlis Perbandaran Pekan to obtain necessary approvals or permits.

The approval or permits required in relation to the site preparation works will not give any material impact to the valuation.

**PLANNING PROVISION**

The subject land is designated for industrial use as per the Express Condition in the document of titles.

Based on the gazetted Rancangan Tempatan Daerah Pekan 2035 (Penggantian), Lot No. PT 7436 is zoned under industrial whilst Lot No. PT 7461 is zoned under residential.

As Lot No. PT 7461 is zoned for residential use, a conversion to industrial zoning is required to enable the land to be developed for industrial purposes. An application must be submitted to the relevant authorities for the conversion process to be carried out.

**METHOD OF VALUATION**

In arriving at the market value of the subject property, we have adopted the Cost Approach which entails separate valuations of the land using Comparison Approach and levelling and site preparation of the subject property for pulp production facility together with the access road connecting the land to the public road, electricity and water supply to the subject property using Cost Approach ("Site Improvement").

The land value is derived using the comparison approach valued by reference to transactions of similar land in the locality with adjustments made for differences in location-general, accessibility/visibility, land area, terrain, zoning, public transportation, physical features – waterbodies, negative factor and other relevant characteristics.

The Site Improvement is valued by reference to the actual cost for the levelling and preparation of the land for the Pulp Production Facility together with the access road connecting the land to the public road, electricity and water to the subject property.

The land value and the value of the Site Improvement are then summated to arrive at the market value of the subject property.

We have adopted the Cost Approach as the only method of valuation due to the physical conditions of the land which require specifications of Site Preparation Works that may differ from other land transactions. The Site Preparation Works is part of the terms of the SPAs to be performed by Ultimate Ivory Sdn Bhd.

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

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**VALUE CONSIDERATION**

Land Value

In arriving at the market value of the subject property, we have adopted the Cost Approach. The land value is derived via the comparison of similar land transactions.

Due to a scarcity of industrial land transactions in the immediate vicinity, we have relied on the transactions of vacant industrial land within a larger locality as follows:-

Details	Comparable 1	Comparable 2	Comparable 3
Source	Valuation and Property Services Department (JPPH)		
Locality	Kawasan Perindustrian Gebeng		
Title No.	PN 33239 & PN 33240 (formerly known as HSD 30 & HSD 31)	HSD 29	Pajakan Negeri 26283
Lot No.	Lot 115530 & Lot 115531 (formerly known as PT 28163 & PT 28164)	PT 28097	Lot 108871
Mukim/Town	Bandar Gebeng		Sungai Karang
District	Daerah Kecil Gebeng		Kuantan
State	Pahang		
Property Type	Two (2) adjoining parcels of industrial land	A parcel of industrial land	A parcel of industrial land
Land Area	627,300 square metres <sup>Note 1</sup> (approximately 62.7300 hectares / 155.009 acres)	546,689 square metres (approximately 54.6689 hectares / 135.090 acres)	1,012,000 square metres (approximately 101.2000 hectares / 250.070 acres)
Tenure	Leasehold expiring on 28 May 2123	Leasehold expiring on 31 March 2123	Leasehold expiring on 4 October 2115
Date	12/07/2024	05/07/2024	04/05/2022
Vendor	PERBADANAN SETIAUSAHA KERAJAAN PAHANG	PERBADANAN SETIAUSAHA KERAJAAN PAHANG	PERBADANAN SETIAUSAHA KERAJAAN PAHANG
Purchaser	TONE DEVELOPMENT SDN BHD	<sup>Note 2</sup>	ALLIANCE STEEL (M) SDN. BHD.
Consideration	RM25,700,528/-	RM28,200,000/-	RM80,000,000/-
Analysis (RM per square foot)	RM3.81 psf	RM4.79 psf	RM7.34 psf
Adjustments	Adjustments have been made on location-general, accessibility/visibility, land area, terrain, zoning, public transportation, physical features – waterbodies and negative factor		
Adjusted Value (RM per square foot)	RM3.04 psf	RM3.35 psf	RM4.04 psf

<sup>Note 1:</sup> Based on the records from the Valuation and Property Services Department (JPPH), the total land area for Lot 115530 and Lot 115531 is 626,150 square metres (approximately 62.615 hectares / 154.725 acres). However, based on our title searches, the total land area is 627,300 square metres (approximately 62.730 hectares / 155.009 acres). For the purpose of this valuation, we have adopted the surveyed land area as per our title searches.

<sup>Note 2:</sup> Based on data extracted from Valuation and Property Services Department (JPPH) and our title search, we are unable to verify the Purchaser.

**CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)**

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**VALUE CONSIDERATION (Cont'd)**

From the above analysis, the adjusted values range from RM3.04 per square foot to RM4.04 per square foot.

Having regard to the foregoing, we have adopted Comparable 1 as the best comparable as it represents the latest transaction and having similar land characteristics. The adjusted value is rounded to RM3.00 per square foot.

The land value is therefore derived at RM10,589,739/-.

Site Improvements

In arriving at the value of the site improvements, we have considered and analysed the awarded contract provided by the client which are summarised as follows: -

<b>Work Description</b>	<b>Cost Attributable to the Subject Property</b>	<b>Analysed Cost (psf) Over Total Land Area of the Subject Property</b>
Site Clearance and Earthwork (35.41-Acre) – PT 7461	RM36,667,564.40	RM16.75
Site Clearance and Earthwork (45.627-Acre) – PT 7436	RM22,444,399.80	
Civil Engineering Consultancy Services (209-Acre)	RM104,688.95	RM0.03
<b>Total</b>	<b>RM59,216,653.15</b>	<b>RM16.78</b>

The total site improvement cost of RM59,216,653.15 has been analysed at RM16.78 per square foot over the total land area.

We have also reviewed the quotations submitted by other tenderers for both PT 7461 and PT 7436 which are summarised as follows: -

<b>Work Description</b>	<b>Analysis per square foot</b>
Site Clearance and Earthwork (35.41-Acre) – PT 7461	RM25.96 to RM27.22
Site Clearance and Earthwork (45.627-Acre) – PT 7436	RM12.06 to RM12.85

Based on our analysis, it is noted that the site clearance and earthwork costs for Lot Nos. PT 7461 and PT 7436 submitted by other tenderers ranges from RM25.96 per square foot to RM27.22 per square foot and from RM12.06 per square foot to RM12.85 per square foot, respectively. Given the awarded contract sums represent the most competitive received, we have considered them reasonable and in line with prevailing market rates.

In addition, we have adopted additional 5% on top of the total site improvement cost to reflect the risk elements and time considerations associated with the site improvement works.

Hence, the market value for the subject property is derived at RM72,767,225/- say RM73,000,000/-.

CBRE WTW VALUATION & ADVISORY SDN BHD (197401001098)

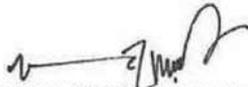
Our Ref: WTW/01/V/003352/25/MAN  
Page 8

**VALUATION**

Taking into consideration the above factors, we therefore assess the market value of the subject property with permission to transfer, lease, charge and free from all encumbrances at **RM73,000,000/- (Ringgit Malaysia: Seventy Three Million Only)**.

Yours faithfully  
for and on behalf of

**CBRE WTW Valuation & Advisory Sdn Bhd**  
(formerly known as C H Williams Talhar & Wong Sdn Bhd)



**Sr UNGKU MOHD ISKANDAR UNGKU ISMAIL**  
BSc. (Hons) Property Management  
MRICS, MRISM, MPEPS, MMIPFM  
Registered Valuer (V-855)

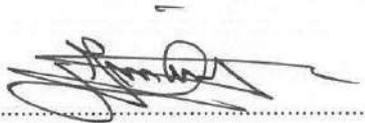
Registration No. 202401013742 (1559592-H)

**NEXTGREEN IOI PULP SDN. BHD.**

[Registration No. 202401013742 (1559592-H)]  
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS  
31 DECEMBER 2024**

These financial statements and reports of the  
Company with ~~Qualified~~ Unqualified Auditors'  
Report for the financial period from 5 April 2024  
to 31 December 2024 were circulated on 30 JUN 2025



Company Director  
DATO' LIM THIAM HUAT

**Messrs. UHY Malaysia PLT (AF 1411)**  
Chartered Accountants



**NEXTGREEN IOI PULP SDN. BHD.**  
**[Registration No.: 20241013742 (1559592-H)]**  
**(Incorporated in Malaysia)**

**REPORTS AND FINANCIAL STATEMENTS**

**31 DECEMBER 2024**

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

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

Registration No. 20241013742 (1559592-H)

**NEXTGREEN IOI PULP SDN. BHD.**  
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

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Registration No. 202401013742 (1559592-H)

- 1 -

**NEXTGREEN IOI PULP SDN. BHD.**

(Incorporated in Malaysia)

**DIRECTORS' REPORT**

The Directors of Nextgreen IOI Pulp Sdn. Bhd. hereby submit their report and the audited financial statements of the Company for the financial period ended 31 December 2024.

**Incorporation and Principal Activities**

The Company has not commenced its business operations since its incorporation on 5 April 2024.

**Results**

	RM
Net loss for the financial period	<u>9,273</u>

In the opinion of the Directors, the results of operations of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature other than the changes in accounting policies as disclosed in Note 2(a) to the financial statements.

**Reserves and Provisions**

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

**Dividends**

No dividend has been paid or declared by the Company since the end of the previous financial period. The directors do not recommend any dividend payment in respect of the current financial period.

**Issue of Shares and Debentures**

There was no issuance of shares and debentures during the financial period.

Registration No. 202401013742 (1559592-H)

- 2 -

### **Options Granted Over Unissued Shares**

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

### **Share Options**

No options have been granted by the Company to any parties during the financial period to take up unissued shares of the Company.

No shares have been issued during the financial period by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial period, there were no unissued shares of the Company under options.

### **Directors**

The Directors of the Company in office during the financial period until the date of this report:

Dato' Lim Thiam Huat	(First Director)
Dr. Lim Kah Yen	(First Director)
Dato' Lee Yeow Chor	(First Director)
Lim Kah Yee	(First Director)
Amir Mohd Hafiz Bin Amir Khalid	(First Director, resigned on 05.02.2025)
Tan Kean Hua	(Appointed on 05.02.2025)

### **Directors' Interests in Shares**

Pursuant to Section 59(3) of the Companies Act, 2016, the interests of Dato' Lim Thiam Huat and Dr. Lim Kah Yen are disclosed in the Director's Report of the holding company, Nextgreen Global Berhad.

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

### **Directors' Benefits**

Since the date of incorporation, no Director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

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### **Indemnity and Insurance Costs**

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

### **Other Statutory Information**

- (a) Before the financial statements of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no bad debts to be written off and no allowance for doubtful debts was required; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Company; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; or
  - (iii) not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading; or
  - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Company which has arisen since the end of the financial year.

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**Other Statutory Information (Cont'd)**

(d) In the opinion of the Directors:

- (i) No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet their obligations when they fall due.
- (ii) In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Company in the financial year in which this report is made.

**Holding Company**

The Directors regard Nextgreen Global Berhad, a public limited liability, company incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad, as the holding company.

**Auditors' Remuneration**

The auditors' remuneration of the Company for the financial year is RM2,500.

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**Auditors**

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

UHY Malaysia PLT (LLP0041391-LCA & AF 1411) was registered on 19 December 2024 and with effect from that date, UHY Malaysia (Formerly known as UHY) (AF 1411), a conventional partnership was converted to a limited liability partnership.

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



DATO' LIM THIAM HUAT



DR. LIM KAH YEN

KUALA LUMPUR

30 APRIL 2025

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**NEXTGREEN IOI PULP SDN. BHD.**

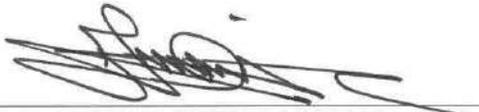
(Incorporated in Malaysia)

**STATEMENTS BY DIRECTORS**

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

We, Dato' Lim Thiam Huat and Dr. Lim Kah Yen, being two of the Directors of Nextgreen IOI Pulp Sdn. Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and cash flows for the financial period then ended.

Signed in accordance with  
a resolution of the Directors,



DATO' LIM THIAM HUAT



DR. LIM KAH YEN

KUALA LUMPUR

30 APRIL 2025

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**NEXTGREEN IOI PULP SDN. BHD.**

(Incorporated in Malaysia)

**STATUTORY DECLARATION**

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

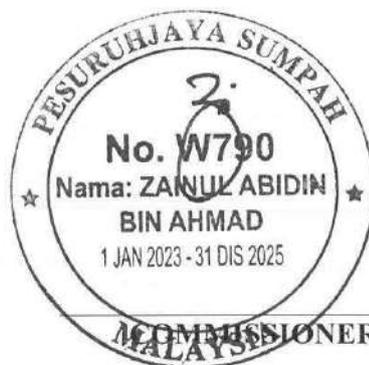
I, Dato' Lim Thiam Huat, being the Director primarily responsible for the financial management of Nextgreen IOI Pulp Sdn. Bhd., do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the )  
abovenamed at Kuala Lumpur in the Federal )  
Territory on 30 April 2025 )



DATO' LIM THIAM HUAT

Before me,



COMMISSIONER FOR OATHS

No. 59, Jalan Telawi  
Bangsar Baru  
59100 Kuala Lumpur



**UHY Malaysia PLT**  
202406000040 (LLP0041391-LCA)  
**Chartered Accountants**  
Suite 11.05, Level 11  
The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
  
Phone +60 3 2279 3088  
Fax +60 3 2279 3099  
Email uhykl@uhy.com.my  
Web www.uhy.com.my

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF  
NEXTGREEN IOI PULP SDN. BHD.**

[Registration No.: 202401013742 (1559592-H)]  
(Incorporated in Malaysia)

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Nextgreen IOI Pulp Sdn. Bhd., which comprise the statement of financial position as at 31 December 2024 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and notes to financial statements, including a summary of material accounting policies, as set out on pages 13 to 31.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

**Basis for Opinion**

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

**Independence and Other Ethical Responsibilities**

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



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF  
NEXTGREEN IOI PULP SDN. BHD. (CONT'D)**

[Registration No.: 202401013742 (1559592-H)]  
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**Material Uncertainty Related to Going Concern**

We draw attention to Note 2(b) to the financial statements, which indicates that the Company incurred a net loss of RM9,273 during the financial period 31 December 2024 and, as of that date, the Company's current liabilities exceeded its current assets by RM9,273 and it had deficit in the shareholder's equity of RM8,273, thereby indicating the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

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

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

**Responsibilities of the Directors for the Financial Statements**

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



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF  
NEXTGREEN IOI PULP SDN. BHD. (CONT'D)**

[Registration No.: 202401013742 (1559592-H)]  
(Incorporated in Malaysia)

**Responsibilities of the Directors for the Financial Statements (Cont'd)**

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF  
NEXTGREEN IOI PULP SDN. BHD. (CONT'D)**

[Registration No.: 202401013742 (1559592-H)]  
(Incorporated in Malaysia)

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

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF  
NEXTGREEN IOI PULP SDN. BHD. (CONT'D)**

[Registration No.: 202401013742 (1559592-H)]  
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**Other Matter**

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be the initials "UHY".

UHY Malaysia PLT  
202406000040 (LLP0041391-LCA) & AF1411  
Chartered Accountants

A handwritten signature in black ink, appearing to be the initials "H.S.C.".

HO SIEW CHAN  
Approved Number: 03485/02/2026 J  
Chartered Accountant

KUALA LUMPUR

30 APRIL 2025