

**NEXTGREEN GLOBAL BERHAD ("NGGB" OR THE "COMPANY")
COOPERATION AGREEMENT BETWEEN NEXTGREEN GLOBAL BERHAD AND IHI CORPORATION**

1. INTRODUCTION

Further to the expiry of Memorandum of Understanding between the Company, IHI Corporation and Nomura Holdings, Inc., which was announced to Bursa Malaysia Securities Berhad on 23 February 2021, the Board of Directors of NGGB ("Board") wishes to announce that the Company, had on 22 February 2021 entered into a Cooperation Agreement ("Cooperation Agreement") with IHI Corporation ("IHI") (hereinafter referred as "the Parties"), to cooperate in the development of a business structure with the details as further described herein.

2. INFORMATION ON NGGB AND IHI

i) NGGB

NGGB is a corporation incorporated on 30 December 2005 and existing under the Law of Malaysia, having its registered address at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor. As at the date of this announcement, the number of issued shares of NGGB is 604,291,718 ordinary shares. The Directors of NGGB are Dato' Dr. Haji Sohaimi Bin Shahadan, Dato' Lim Thiam Huat, Dato' Dr. Koe Seng Kheng, Dato' Yusof bin Din, Dato' Zakaria bin Arshad, Lim Kah Yen, Teh Chau Chin and Tan Meng Chai.

NGGB is principally involved in the business of investment holding and the provision of management services.

ii) IHI

IHI is a Company organised and existing under the laws of Japan with the principal place of business at 1-1, Toyosu 3-chome, Koto-ku, Tokyo, Japan. It was incorporated on 5 December 1853 and is listed on the Tokyo Stock Exchange.

IHI is a comprehensive heavy-industry manufacturer working to create value for customers in four main areas – Resource, Energy and Environment; Social Infrastructure and Offshore Facilities; Industrial Systems and General-Purpose Machinery; and Aero Engine, Space and Defence.

3. SALIENT TERMS OF THE COOPERATIVE AGREEMENT

3.1 Purpose

The Parties agree to conduct a study on the feasibility of the Business utilising the expertise of the Parties in their respective trades ("Study"). The term "Business" shall mean the potential business derived from combining sale of empty fruit bunch ("EFB") Pulp, EFB Paper and EFB Pellet, including the procurement of EFB which is the raw material to be used for the Study and/or the Business.

3.2 Details

The Study is a continuation from the joint effort of the Parties with Nomura Singapore Limited and Nomura Holdings Inc. under the following agreements, which has since been expired:-

- (a) Non-disclosure Agreement dated 25 September 2018 between IHI, NGGB and Nomura Singapore Limited (“Nomura”);
- (b) Memorandum of Understanding (“MOU”) dated 8 September 2018 between IHI, NGGB and Nomura Holdings Inc. (“Original MOU”); and
- (c) MOU dated 18 September 2019 between IHI, NGGB and Nomura Holdings Inc.

The Study shall consider the feasibility of the plans as listed in the Original MOU and the target schedule shall be as below:-

- (a) Consider potential and existing business of each of the Parties which could be integrated, by the end of April 2021;
- (b) Evaluating the profitability of the Business, by end of July 2021;
- (c) Evaluating cash management plan for the Business, by end of October 2021; and
- (d) Reaching decisions by each Party whether the Parties will proceed with the studied investment, by end of December 2021.

3.3 Scope of Study

The main objective of the Study is to evaluate the possible collaboration between NGGB and IHI through contribution of their expertise in their respective trades in relation to the development of the Phase 2a and 2b of the Business at Green Technology Park at Pekan, Pahang (“GTP”) by NGGB, which consist of box liner paper and corrugated paper respectively.

The scope of the Study may extend to the feasibility of the following:-

- (a) Cooperation in planning, development and management of the GTP, divided into multiple phases;
- (b) Collaborations in all other auxiliary facilities to support GTP as a self-sustained green park;
- (c) Collaboration in development and management of other green technology projects, not limited to GTP; and
- (d) Collaboration in further research & development of utilization of palm waste into usable products including but not limited to utilization of Palm Kernel Shell, Oil Palm Trunk, Oil Palm Frond, and Palm Oil Mill Effluent.

3.4 Effective date

The Cooperation Agreement shall take effect on 22 February 2021 and valid for a period of one (1) year from the Effective Date or until such time as the Cooperative Agreement is expressly supersede by a subsequent agreement between the Parties, whichever is earlier.

4. RATIONALE

The Cooperative Agreement provides an opportunity for the Parties to collaborate and work together to discuss the possibility of developing a business structure for Green Technology Investment Partnership(s).

5. RISK FACTORS

Save for the normal business and global economic risk, the Board of Directors of NGGB is not aware of any other risk factors which may arise as a result of the Cooperation Agreement.

6. FINANCIAL EFFECT

The Cooperative Agreement is not expected to have any effect on the issued share and substantial shareholders' shareholdings of the Company as it does not involve the issuance of any new ordinary shares in the Company.

The Cooperative Agreement is not expected to have any material impact on the Company's earnings per share, net assets and gearing for the current financial year ending 31 December 2021. However, it is expected to contribute positively to the future earnings of the Company.

7. INTEREST OF DIRECTORS, AND MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED WITH THEM

None of the directors and/or major shareholders of NGGB and/or persons connected with them have any interest, direct or indirect, in the Cooperative Agreement.

8. STATEMENT BY DIRECTORS

The Board, after having considered all aspects of the Cooperative Agreement, is of the opinion that the Business is in the best interest of the Company and shareholders.

9. APPROVALS REQUIRED

The Cooperation Agreement is not subject to the approval of the shareholders of NGGB or any regulatory authorities.

10. DOCUMENTS FOR INSPECTION

The Cooperative Agreement is available for inspection at the registered office of the Company at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor during the normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 23 February 2021.