

NEXTGREEN GLOBAL BERHAD

- LETTER OF INTENT FOR PURCHASE OF PAPER PRODUCTS BY CROWN PACKAGE CO. LTD.

1. INTRODUCTION

The Board of Directors of Nextgreen Global Berhad (“**Company**”) wishes to announce that Nextgreen Pulp & Paper Sdn. Bhd. (“**NPPSB**”), a wholly-owned subsidiary of the Company has on 28 February 2019 received and accepted a Letter of Intent from Crown Package Co., Ltd. (“**Crown**”), a company founded in Japan, documenting its intention / interest to purchase the paper products (“**Letter of Intent**”) to be manufactured and sold by NPPSB.

The Letter of Intent does not constitute and will not give rise to any binding obligations (financially, legally, or otherwise) on Crown.

2. ESTIMATED PURCHASE AMOUNTS

The estimated purchase amounts of the paper products after the completion of the first phase of the Company’s Green Technology Park, Pekan (“**GTP**”) development project are described in the table below:-

Type of Paper Product	Estimated Purchase Amount per year
EFB Paper (Empty Fruit Bunch Paper)	200 tons
BSK (Unglazed Bleached Kraft Paper)	2,000 tons
Total	2,200 tons

The actual purchase amounts of the paper products by Crown are dependent on certain conditions such as the price, quality of the paper products, etc.

If the quality, price and other factors of the paper products exceed Crown’s expectation, the estimated purchase amounts may increase by 1.5 to 2 times.

3. PURCHASE PRICE

The purchase price has yet been fixed / agreed upon by Crown and NPPSB. Negotiation on the unit price will be made after reviewing / assessing the quality of the paper products.

4. FINANCIAL EFFECTS

The Letter of Intent will have no effect on the issued share capital and earnings of the Company for the financial year ending 30 June 2019 but is expected to contribute positively to the earnings of the Company and enhance net assets per share of the Group for the following financial years if purchase orders are issued to NPPSB.

5. RISKS

The Company does not foresee any exceptional risk other than normal operational risks associated with the Letter of Intent.

6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors and/or other major shareholders of the Company and/ or any persons connected to them have any interest, direct or indirect, in the Letter of Intent.

7. DIRECTORS' STATEMENT

The Board of Directors of the Company is of the opinion that the acceptance of the Letter of Intent is in the best interest of the Company.

This announcement is dated 28 February 2019.