

Date 31 May 2021
Type ANNOUNCEMENT
Subject TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS)
NON-RELATED PARTY TRANSACTIONS
Description NEXTGREEN GLOBAL BERHAD ("NGGB" OR "THE COMPANY")
- PROPOSED ACQUISITION OF ALL THAT TWELVE (12) UNITS NOS. A-37-01 TO A-37-12, LEVEL 37 OF MENARA THE MET, MEASURING APPROXIMATELY 18,658 SQUARE FEET ERECTED ON A FREEHOLD LAND HELD UNDER H.S.(D) 121983, PT 50109, IN THE MUKIM OF BATU, DISTRICT OF KUALA LUMPUR AND STATE OF WILAYAH PERSEKUTUAN KL FROM TRITERRA METROPOLIS SDN BHD ("THE DEVELOPER") AND TTDI KL METROPOLIS SDN BHD ("THE LAND OWNER")("COLLECTIVELY REFERRED AS "THE VENDOR") FOR A TOTAL CASH CONSIDERATION OF RM19,027,440.00 ("PPROPOSED ACQUISITION")

1. Introduction

The Board of Directors' Nextgreen Global Berhad ("NGGB" or "the Company") wishes to announce that the Company had on 31 May 2021 entered into twelve (12) separate Sale and Purchase Agreements ("referred to as the "SPAs") with Triterra Metropolis Sdn Bhd ("the Developer") and TTDI KL Metropolis Sdn Bhd ("the Land Owner")("collectively referred as "the Vendor") for the purpose of acquiring all that twelve (12) units of office lots, parcel nos. A-37-01 to A-37-12, Level 37, measuring approximately 18,658 square feet erected on a freehold land held under H.S.(D) 121983, PT 50109, in the Mukim of Batu, District of Kuala Lumpur and State of Wilayah Persekutuan KL ("the Master Title"), collectively known as "Menara The Met")("the Properties"), for a total cash consideration of RM19,027,440.00 ("Purchase Price")("the Proposed Acquisition") in accordance with the terms and conditions of the SPA.

2. Details of the Proposed Acquisition

2.1 Information on the Properties

The Proposed Acquisition entails the acquisition of twelve (12) units of office lots erected on a freehold land held under H.S. (D) 121983, PT 50109 (formerly known as H.S. (DD) 120796, PT 27219 and previously held under PN52351, Lot No. 80925), in the Mukim Batu, District of Kuala Lumpur and State of Wilayah Persekutuan KL ("Master Title") measuring approximately 9988 square metres.

The Developer has obtained the approval of the Authorities for the development and construction of two (2) office buildings with office units provisionally known as "Menara The Met".

The details of the Properties set out below:

Location	KL Metropolis, Dutamas, Kuala Lumpur
Size of land	measuring approximately 9988 square metres.
Category of Land Use	Commercial Development
Express Condition	Commercial Building
Tenure	Freehold
Encumbrances	The Land charged to Alliance Bank Malaysia Berhad
Existing use	Under Construction
Building build up area	Approximately 860,000 sq. ft.
Net Lettable Area	18,658 sq. ft. (Level 37)
Age of Building	Under Construction

The details of 12 units of Office Lots set out below:

No.	Unit No.	Net Lettable Area	SPA Price
1	A-37-01	2,110 sq. ft.	RM2,444,440-
2	A-37-02	1,927 sq. ft.	RM 2,231,920-
3	A-37-03	840 sq. ft.	RM 1,035,000-
4	A-37-3A	1,195 sq. ft.	RM 1,472,920-
5	A-37-05	840 sq. ft.	RM 1,035,000-
6	A-37-06	1,356 sq. ft.	RM 1,571,360-
7	A-37-07	818 sq. ft.	RM 966,920-
8	A-37-08	1,346 sq. ft.	RM 1,558,480-
9	A-37-09	915 sq. ft.	RM 1,104,000-
10	A-37-10	1,152 sq. ft.	RM 1,390,120-
11	A-37-11	818 sq. ft.	RM 987,160-
12	A-37-12	2,788 sq. ft.	RM 3,230,120-
	Total:	16,105 sq. ft.	RM 19,027,440-

2.2 Information of the Vendor

TTDI KL Metropolis Sdn Bhd (“the Land Owner”) is the registered proprietor of a freehold land held under H.S.(D) 121983, PT 50109 (formerly known as H.S.(D) 120796 and previously held under PN52351, Lot No. 80925) in the Mukim of Batu, District of Kuala Lumpur and State of Wilayah Persekutuan KL (“the Master Title”) measuring approximately 9988 square metres.

By a Development Rights Agreement dated 22 September 2015 entered into between the Land Owner and Triterra Metropolis Sdn Bhd (“the Developer”)(“DRA”), the Land Owner, upon the terms and conditions of the DRA, has agreed to grant and the Developer has agreed to accept the exclusive development rights to develop and complete a commercial development on the Land.

Pursuant to the Development Order, the Developer has obtained the approval of the Authorities for the development and construction of two (2) office buildings with office units provisionally known as “Menara The Met” (“the Project”), being the Grade A strata corporate office tower in Mont Kiara, immediately identifiable even from afar by its distinct curtain wall feature façade. Its 2 towers stand at 30 and 42 floors respectively, both of which have been expertly crafted in collaboration with some of the most renowned names in the architectural industry.

3. Salient terms of the SPAs

The words and abbreviations used throughout this section of the Announcement shall have the same meaning as defined in the SPAs unless the context otherwise requires or defined herein.

The salient terms of the SPAs amongst others, the following: -

- i) The Developer agreed to sell and NGGB agrees to purchase the Properties, on a willing buyer willing seller basis as at the date of the SPAs, free from all encumbrances and all restrictions in interest and the conditions and upon the terms and conditions of the SPAs.
- ii) The Purchase Price shall be paid in the following manner:
 - a) Prior the signing of the SPAs, an earnest deposit of RM240,000.00 has been paid to the Developer for the twelve (12) units of office.
 - b) The Purchase Price shall be paid by the Purchaser to the Developer by instalments and at the times and in the manner prescribed in the SPAs together with the SST payable thereon.

- c) Every request for payment by the Developer of any of the instalments under the schedule set out in the SPAs shall be accompanied by a duplicate or copy of certificate signed by the Developer's Consultant certifying the commencement and/or completion of any pertinent stage of the construction of the said Properties and such certification by the Developer's Consultant shall be taken as final and conclusive of the facts therein stated and shall be binding on the parties thereto.
- d) The Purchaser shall within 14 working days from the date of the notice or notices for payment (unless such other time being stipulated in the notice or notices for payment) referred to in the schedule set out in the SPAs pay to the Developer the amount of the instalment therein stated. Without prejudice to the Developer's rights under the SPAs, if any of the instalments referred to in the schedule set out in the SPAs shall remain unpaid by the Purchaser, the Purchaser shall pay to the Developer interest at the Agreed Rate on the amount outstanding calculated on a daily rest basis, from the expiry of the said 14 working days period until the date of full payment thereof.

4. Source of funding

The Company intends to fund the Proposed Acquisition through a combination of internally generated funds and bank borrowings.

The exact combination of internally generated funds and bank borrowings will be determined by the management of NGGB at a later stage.

5. Basis of arriving at the Purchase Price

The Purchase Price was arrived after taking into consideration, inter alia, the strategic location of the Properties and the market value of the office building in the surrounding vicinity and willing buyer willing seller basis. No valuation was carried out by NGGB in this Proposed Acquisition.

6. Rationale of the Proposed Acquisition

The Proposed Acquisition is for business operations of NGGB Group of Companies to accommodate business expansion.

7. Financial Effects of the Proposed Acquisition

The Proposed Acquisition is not expected to have material financial impact on NGGB for the financial year ending 31 December 2021 as set out below:

7.1 Share Capital and Substantial Shareholders' Shareholding

The Proposed Acquisition will not have any material effect on the issued and paid-up share capital and substantial shareholders' shareholdings of the Company.

7.2 Net Assets per share

The Proposed Acquisition is not expected to have any material effect in the net assets per share of the Company for the current financial year ending 31 December 2021.

7.3 Gearing

The effect of the Proposed Acquisition on the gearing of NGGB Group will be dependent on the eventual funding mix for the Purchase Price.

8. Liabilities to be assumed

There are no liabilities including contingent liabilities and guarantees to be assumed by NGGB arising from the Proposed Acquisition.

9. Risk Factors

The economic value of the Properties is subject to the risk inherent in the property market. These include inter-alia changes in the economic and political conditions, business and credit conditions and demand for properties. NGGB seeks mitigate these risks by implementing prudent business strategies, continuous review of its operations and marketing strategies as well as to improve efficiency.

10. Approval Required

The Proposed Acquisition does not require approval from the shareholders of NGGB and/or any regulatory authorities.

11. Directors' and Major Shareholders' Interests and/or Persons Connected to Them

None of the Directors and/or major shareholders of NGGB or any person connected with them have any interest, direct or indirect, in the Proposed Acquisition.

12. Directors' Recommendation

The Board, having considered all aspects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of NGGB Group.

13. Highest Percentage Ratio Applicable

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 13.65% based on the audited consolidated financial statements of NGGB for the financial year ended 31 December 2020.

14. Expected Timeframe for completion

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by 24 months from date of the SPAs.

15. Documents available for inspection

The SPAs are available for inspection at the registered office of NGGB during office hours from Mondays to Fridays (except for public holidays) at Level 5, Block B, Dataran PHB, Saujana Resorts, Section U2, 40150 Shah Alam, Selangor for a period of 3 months from the date of this announcement.

This announcement is dated 31 May 2021.