

**NEXTGREEN GLOBAL BERHAD ("NGGB" OR THE "COMPANY")  
JOINT VENTURE AGREEMENT BETWEEN NEXTGREEN GLOBAL BERHAD AND CROWN PACKAGE CO.,  
LTD.**

---

**1. INTRODUCTION**

The Board of Directors of NGGB wishes to announce that the Company, had on 28 February 2020 ("Effective Date") entered into a Joint Venture Agreement ("JV Agreement") with Crown Package Co., Ltd. ("Crown"), to form a joint venture company ("JV Company") for the purpose of manufacturing and selling pulp moulding made from empty fruit bunch, and sell packaging materials to Japan.

*(NGGB and Crown collectively referred as "the Parties").*

**2. INFORMATION ON CROWN**

Crown is a company incorporated in Japan and having its registered address at 3-67, Obari, Komaki, Aichi, 485-8654, Japan.

Crown is principally involved in manufacturing of corrugated board package.

**3. SALIENT TERMS OF THE JV AGREEMENT**

**3.1 Business**

The business of the JV Company shall be the manufacturing and sales of pulp moulding made from empty fruit bunch and sales of packaging materials and other materials to Japan, and other activities related thereto ("Business").

**3.2 Undertaking of NGGB and Crown**

NGGB and Crown shall exercise their respective voting rights and take such further steps as necessary or appropriate to procure that the JV Company complies with the terms of the Agreement that are applicable to the JV Company.

**3.3** Within a reasonable time after the incorporation of the JV Company, the shareholders of the JV Company to apply for the approvals, licenses and permits required for the Business. NGGB shall, with reasonable assistance from Crown, provide all reasonable support to the JV Agreement to enable the JV Company to obtain all required approvals, licenses and permits, including but not limited to the following: -

- (a) The manufacturing license issued by the Ministry of International Trade and Industry ("MITI") in the name of the JV Company for the premises leased by the JV Company; and
- (b) If required, the written approval from the Department of Environment Malaysia ("DOE") of the environmental impact assessment report prepared by a qualified firm/ person who was appointed to conduct the environmental impact assessment of the Business ("DOE Approval").

### 3.4 Shareholding ratio

Unless otherwise agreed by the Parties in writing or changed due to a transaction contemplated under this Agreement, NGGB and Crown shall maintain its shareholding ratio in the shares as set out below: -

Name of Shareholders	Shareholding Ratio
NGGB	49%
Crown	51%
<b>Total</b>	<b>100%</b>

### 3.5 Subscription

Upon incorporation of the JV Company, NGGB and Crown shall subscribe the ordinary shares in the JV Company and pay (in two instalments) the amounts as set out below:-

Shareholders	Initial Subscription		Second Subscription	
	Initial Subscribed Shares	Initial Subscribed Amount	Second Subscribed Shares	Second Subscribed Amount
Crown	51	RM51	10,709,949	RM10,709,949
NGGB	49	RM49	10,289,951	RM10,289,951
<b>TOTAL</b>	<b>100</b>	<b>RM100</b>	<b>20,999,900</b>	<b>RM20,999,900</b>

### 3.6 Allocation of Seats in the Board

The number of Directors of the JV Company shall be three. Two (2) seats on the board of Directors of the JV Company ("Board") shall be filled by the nominees of Crown, while one (1) seat on the Board shall be filled by the nominee of NGGB, provided that NGGB's nominee director shall be a Malaysian resident. Any Director may be re-elected to the Board after completion of such Director's term on the Board.

### 3.7 Termination

This Agreement shall be terminated if any one (1) of the following occurs: -

- (a) When an effective resolution is passed or a binding order by a proper Government Authority is made for the dissolution and winding up of the JV Company;
- (b) When either shareholder ceases to hold at least one (1) share;
- (c) When the Parties mutually agree in writing to terminate this Agreement;
- (d) A shareholder serves a written notice of termination at least ninety (90) days prior to the intended date of termination, if the other shareholders breach the terms of the Agreement;

- (e) When any condition precedent for the payment of the Second Subscribed Amount is not fulfilled by end of December 2020 or any other date as separately agreed in writing between the Parties, and either Party serves a written notice of termination duly received by other party.

#### **4. RATIONALE OF THE JV AGREEMENT**

The JV is in line with the expansion plan of the NGGB Group for its Empty Fruit Bunch Pulp & Paper business.

#### **5. FINANCIAL EFFECT**

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

The JV Agreement is not expected to have any material impact on the NGGB's earnings per share, net assets and gearing for the current financial year ending 31 December 2020. However, it is expected to contribute positively to the future earnings of NGGB.

#### **6. 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 JV Agreement.

#### **7. STATEMENT BY DIRECTORS**

The Board, after having considered all aspects of the JV Agreement, is of the opinion that the JV Agreement is in the best interest of the NGGB and its subsidiaries.

#### **8. APPROVALS REQUIRED**

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

#### **9. DOCUMENTS FOR INSPECTION**

The JV Agreement is available for inspection at the registered office of the Company at Suite 10.02, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur 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 28 February 2020.