

Date 28 January 2022
Type Announcement
Subject Others
Description NEXTGREEN GLOBAL BERHAD (“NEXTGREEN” OR “THE COMPANY”)
MEMORANDUM OF UNDERSTANDING (“MOU”) BETWEEN STATE GOVERNMENT OF KELANTAN

Unless otherwise stated, all abbreviations used herein shall have the same meaning as those mentioned in the announcement dated 26 January 2022 pertaining to the MOU between State Government of Kelantan.

The Board of Directors of Nextgreen Global Berhad (“NGGB” or “the Company”) wishes to inform that the Company had on 27 January 2022 received Bursa Malaysia Securities Berhad’s request for additional information in relation to the Company’s announcement made on 26 January 2022. The additional information are as follows:

1. Further clarification and details of “Kelantan Sustainable Projects” pertaining to the development on palm oil collection and processing center, forest plantation, pulp mill, animal feed mill and fertilizer plant.

Palm oil collection and processing center	<p>The project “palm oil collection and processing center” should read as “palm oil waste collection and processing center” instead of “palm oil collection and processing center which was announced earlier.</p> <p>Facility center to collect and process palm oil waste such as empty fruit brunch (EFB) and oil palm fronds (OPF).</p>
Forest plantation	Is a forestation project
Pulp mill	A manufacturing facility to produce pulp from sources including timber, Empty Fruit Brunch (EFB) and bamboo for paper production
Animal feed mill	A manufacturing facility to produce animal feed for livestock and poultry animals using palm oil waste
Fertilizer plant	A manufacturing facility to produce fertilizer using palm oil waste and other production waste (by product)

2. Clarification on the funding for the Project and its source of funds.

The source of the fund through the combination of equity funding, sustainability financing/ loan from local bank and internally generated fund

3. Tentative timeframe to enter into the joint venture agreement to effect the commencement of the Project.

Both parties will start the discussion on the joint venture agreement after this MOU signing, estimated within 6 months.

4. It is noted that the MOU is subject to technical assessment, finance and certificates by the One-Stop Investment Committee of Kelantan or any committee that agreed upon by the State Authority with the approval of the State Authority. To clarify on the “technical assessment, finance and certificates” to be obtained.

Technical assessment is on the availability and suitability of the land for the said project. Finance and certificate refer to the evaluation and approval on the project investment from One-Stop Investment Committee of Kelantan.

5. **Elaboration on Nextgreen’s capability to fulfil its roles as stated in the salient terms of the MOU.**

Nextgreen will provide technical and management on the said project with Nextgreen’s patented technology and expertise. Nextgreen will be the main purchaser and distributor on all the products produced from the said projects.

6. **The detailed basis and justification to arrive on the estimated RM2.23 billion valuation for the Project.**

The breakdown of the estimated RM2.23 billion valuation for the Project as follows:

No	Kelantan Sustainable Projects	Land Size (Acres)	Estimated investment (RM’ billion)
1	Palm Oil Waste Collection and Processing Center	50	0.05
2	Forest Plantation Development Project	250,000	0.58
3	400,000 MT per annum of Pulp Mill	400	1.50
4	50,000 MT Animal Feed Mill	50	0.05
5	50,000 MT Fertilizer Plant	50	0.05
Total		250,550	2.23

This announcement is dated 28 January 2022.