

## NEXTGREEN GLOBAL BERHAD (“NEXTGREEN” OR “COMPANY”)

### PROPOSED PRIVATE PLACEMENT OF UP TO 15% OF THE TOTAL NUMBER OF ISSUED SHARES OF NEXTGREEN (EXCLUDING TREASURY SHARES) (“PROPOSED PRIVATE PLACEMENT”)

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#### 1. INTRODUCTION

On behalf of the Board of Directors of Nextgreen (“**Board**”), RHB Investment Bank Berhad (“**RHB Investment Bank**”) wishes to announce that the Company proposes to undertake a private placement of up to 15% of the total number of issued shares of the Company (excluding treasury shares) to the following investors:

- (i) up to 10% of the total number of issued shares of the Company to Koperasi Permodalan FELDA Malaysia Berhad, a shareholder of Nextgreen (“**KPF**” or “**Interested Shareholder**”); and
- (ii) up to 5% of the total number of issued shares of the Company to third party investor(s) to be identified later.

Further details of the Proposed Private Placement are set out in the ensuing sections of this announcement.

#### 2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

##### 2.1 Placement size

The Proposed Private Placement involves the issuance of up to 115,905,423 new ordinary shares in Nextgreen (“**Nextgreen Shares**” or “**Shares**”), representing up to 15% of the total number of issued shares of Nextgreen (excluding treasury shares) at an issue price to be determined later.

As at 7 October 2019, being the latest practicable date prior to this announcement (“**LPD**”), the total issued share capital of Nextgreen was RM135,678,441 comprising 504,166,718 Nextgreen Shares. As at the LPD, Nextgreen does not have any treasury shares. The Company has the following convertible securities:

- (i) outstanding 198,290,398 warrants 2015/2020 in Nextgreen (“**Warrants**”). The Warrants are constituted by the deed poll dated 21 August 2015 (“**Deed Poll**”) and each Warrant carries the entitlement to subscribe for 1 new Nextgreen Share during the 5 years exercise period up to 18 October 2020 at an exercise price of RM0.60 per Warrant; and
- (ii) Employees’ Share Option Scheme (“**ESOS**”) options (“**ESOS Options**”) of up to 10% of the total number of issued shares of Nextgreen which may be granted and exercised into new Nextgreen Shares.

The ESOS Options and Warrants are collectively referred to as the “**Convertible Securities**”.

For illustrative purposes, the effects of the Proposed Private Placement shall be illustrated based on the following 2 scenarios:

**Minimum Scenario** : Assuming none of the outstanding 198,290,398 Warrants are exercised, and none of the ESOS Options are granted and exercised prior to the implementation of the Proposed Private Placement

**Maximum Scenario** : Assuming all the outstanding 198,290,398 Warrants are fully exercised, and all the ESOS Options are granted and exercised prior to the implementation of the Proposed Private Placement

Assuming full granting and exercise of the Convertible Securities prior to the implementation of the Proposed Private Placement, the Company's total number of issued shares would comprise 772,702,827 Nextgreen Shares. Hence, the Proposed Private Placement would entail the issuance of up to 115,905,423 new Nextgreen Shares ("**Placement Shares**"), representing up to 15% of the total number of issued shares of Nextgreen (excluding treasury shares).

The actual number of Placement Shares to be issued pursuant to the Proposed Private Placement will depend on the total number of issued shares of the Company on a date to be determined later upon obtaining all relevant approvals as set out in **Section 8** of this announcement.

## 2.2 Placement arrangements

- (i) KPF, a shareholder of Nextgreen, had vide its letter of intent dated 28 August 2019 has expressed its interests (subject to (i) approval from KPF's Investment and Business Committee meeting and (ii) sufficiency of KPF's cash flow) to subscribe for the Placement Shares of up to 10% of the total number of issued shares of Nextgreen at an issue price to be determined later ("**Letter of Intent**") based on the 5-day volume weighted average market price ("**VWAMP**") of Nextgreen Shares with a discount of not more than 10% to the VWAMP immediately preceding the price-fixing date.

### Information on KPF

KPF, a co-operative society incorporated under the Co-operative Societies Ordinance 1948 (now replaced with Co-operative Societies Act 1993), was established on 1 July 1980 under the name of Koperasi Permodalan Felda Berhad. On 26 August 2010, it changed its name to Koperasi Permodalan FELDA Malaysia Berhad. Based on KPF's financial report for the financial year ended 31 December 2018, the issued share capital of KPF was RM2,419,141,000. The principal activities of KPF involve investment co-operative, and also invests in other types of investment arrangements as well as being involved in palm oil farming activities.

As at the LPD, the board members of KPF are as follows:

- (a) Encik Anuar Malek
- (b) Encik Norzuki Mustafa
- (c) Puan Norfazlin Dato' Idris
- (d) Dato' Zainal Hassan
- (e) Datuk Khamis Md Som
- (f) Dato' Ramli Ismail
- (g) Dato' Sa'ari Din
- (h) Dato' Zakaria Arshad
- (i) Encik Samsudin Othman
- (j) Puan Rahayu Mahat@Taib
- (k) Encik Zaid Sidek
- (l) Encik Sulong Jamil Mohamed Shariff

- (ii) The remaining of up to 25,208,335 and up to 38,635,141 Placement Shares, representing up to 5% of the total number of issued shares of Nextgreen under the Minimum Scenario and Maximum Scenario, respectively will be issued to independent third party investor(s) to be identified at a later date. Such investor(s) shall be person(s) who qualify under Schedules 6 or 7 of the Capital Markets and Services Act 2007. In addition, the Placement Shares will not be placed to the following parties:
- (a) a director, major shareholder or chief executive of Nextgreen or a holding company of Nextgreen (if applicable), or person(s) connected with such director, major shareholder or chief executive of Nextgreen; and
- (b) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.
- (iii) The summary of the proposed manner of indicative allocation and pricing of the Placement Shares to the proposed placees are set out below:

<u>Proposed placees</u>	<u>Proposed allocation</u>	<u>Number of Placement Shares</u>		<u>Issue price</u>
		<u>Minimum Scenario</u>	<u>Maximum Scenario</u>	
Interested Shareholder	Up to 10%	Up to 50,416,670	Up to 77,270,282	Issue price to be determined at a later date based on the 5-day VWAMP of Nextgreen Shares with a discount of not more than 10% to the VWAMP immediately preceding the price-fixing date.
Independent third party investor(s) to be identified at a later date	Up to 5%	Up to 25,208,335	Up to 38,635,141	Issue price to be determined at a later date based on the 5-day VWAMP of Nextgreen Shares with a discount of not more than 10% to the VWAMP immediately preceding the price-fixing date.
<b>Total</b>	<b><u>Up to 15%</u></b>	<b><u>Up to 75,625,005</u></b>	<b><u>Up to 115,905,423</u></b>	

The Proposed Private Placement may be implemented in a single or multiple tranche(s) within 6 months from the date of approval from Bursa Malaysia Securities Berhad (“**Bursa Securities**”) for the listing and quotation of the Placement Shares on the Main Market of Bursa Securities. The implementation of the Proposed Private Placement in multiple tranches would provide flexibility to Nextgreen to procure interested investors to subscribe for the Placement Shares within the period as approved by Bursa Securities.

Notwithstanding the above placement arrangements, in the event that the placement arrangements are altered, and the Interested Shareholder does not subscribe for the Placement Shares allocated to them, the Company shall endeavour to place these Nextgreen Shares to independent third party investor(s) to be identified on the same basis and issue price as the Placement Shares pursuant to the Proposed Private Placement.

### **2.3 Basis of determining and justification for the issue price of the Placement Shares**

The issue price of the Placement Shares will be determined and fixed by the Board at a later date after receipt of all relevant approvals for the Proposed Private Placement.

The Placement Shares will be issued at a price of not more than 10% discount to the 5-day VWAMP of Nextgreen Shares immediately preceding the price-fixing date.

For illustrative purposes, the indicative issue price of the Placement Shares is RM0.40 per Placement Share, which represents a premium of approximately 3.359% to the 5-day VWAMP of Nextgreen Shares up to and including the LPD of RM0.387 per Nextgreen Share.

### **2.4 Ranking of the Placement Shares**

The Placement Shares will, upon allotment and issuance, rank equally in all respects with the then existing Nextgreen Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/ or other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Placement Shares.

### **2.5 Listing and quotation of the Placement Shares**

An application will be made to Bursa Securities for the listing and quotation of the Placement Shares on the Main Market of Bursa Securities.

## **3. BACKGROUND INFORMATION ON PEKAN GREEN TECHNOLOGY PARK PROJECT (“GTP PEKAN PROJECT”)**

Nextgreen and its subsidiaries’ (“**Nextgreen Group**” or “**Group**”) initial principal business is in the printing and publishing businesses. On 14 August 2015, Nextgreen Group had obtained the approval of its shareholders to diversify its existing principal businesses to include the utilisation and sub-licensing of paper pulp making technology, manufacturing of renewable paper pulp products generated from oil palm empty fruit bunches (“**EFB**”) (“**Renewable Paper Pulp Products**”) using the Pre-conditioning Refiner Chemical Recycled Bleached Mechanised Pulp Technology (“**PRC RBMP Technology**”) and other related activities. Nextgreen Group commenced its construction of the pulp and paper mill for the manufacture, sale and dealing with Renewable Paper Pulp Products with a production capacity of 10,000 metric tons of wood-free paper (“**10,000 MT Pulp and Paper Mill**”) in the following year. The total costs incurred or to be incurred for the acquisition of land, purchase of machineries and equipment, construction of factory for the 10,000 MT Pulp and Paper Mill were estimated to be RM55.00 million of which is to be partially funded by the proceeds raised from the rights issue exercise undertaken by Nextgreen and internally generated funds. A total gross proceeds of RM41.64 million from the said rights issue exercise with the allotment and issuance of 99,145,199 Nextgreen Shares at an issue price of RM0.42 per Share, undertaken by Nextgreen which was completed on 22 October 2015. The Company had, on 17 October 2018, announced that the timeline for the utilisation of the remaining proceeds raised from the said rights issue exercise allocated for purchase of plant and machinery and other ancillary facilities to be extended up to 22 October 2019. As at the LPD, the remaining proceeds raised from the said rights issue exercise have been fully utilised.

In 2016, the Pejabat Setiausaha Kerajaan Pahang (Pahang State Government) had via its letter dated 13 October 2016, granted the Company's wholly-owned subsidiary, Ultimate Ivory Sdn Bhd, the land approval for the acquisition of 375 acres of land in Kg. Paloh Hinai, Mukim Lepar, Daerah Pekan, Pahang Darul Makmur ("**Land**") and for the development of GTP Pekan Project. On 10 March 2017, Nextgreen had received from Pejabat Setiausaha Kerajaan Pahang (Pahang State Government) its land approval for additional 35.41 acres of the land with a total acquisition of 410 acres of land. The Company has commenced the development for Phase 1 of GTP Pekan Project in 2016 and the development is still on-going as at the LPD. In the same year, the shareholders of Nextgreen approved a further diversification of Nextgreen Group's existing core businesses to include the construction, development and management of 'Green Technology Park' and other construction and property development activities.

On 14 December 2018, Nextgreen had undertaken a private placement exercise involving issuance of a total of 45,800,000 new Nextgreen Shares and was completed on 7 October 2019 ("**Previous Private Placement**"). Nextgreen raised a total gross proceeds of RM19.39 million from the said private placement whereby partial of the proceeds were utilised by Nextgreen Group for the infrastructure costs related to the development of GTP Pekan Project. As at the LPD, there is a balance of RM6.76 million which is yet to be utilised for the payment of the said Land.

As at the LPD, GTP Pekan Project comprises of, amongst others, integrated pulp and paper mills, feed mill, fertiliser plant, light industries, centralised wastewater treatment plant and alkali recovery treatment plant. The development of GTP Pekan Project can be divided into 5 phases as set out below:

<b>Phases</b>	<b>Estimated gross development costs (RM'000)</b>	<b>Estimated gross development profits (RM'000)</b>	<b>Expected commencement and completion (Calendar year)</b>	<b>Proposed development</b>
Phase 1A (20.00 acres)	81,670	10,000	2016-2020 <ul style="list-style-type: none"> <li>Approval for the manufacturing license has been obtained from the Ministry of International Trade and Industry on 30 August 2019.</li> <li>The land approval has been obtained from the relevant authorities on 13 October 2016.</li> </ul>	Pulp and paper mill with a production capacity of: <ul style="list-style-type: none"> <li>(a) 10,000 metric tons of wood free paper; and</li> <li>(b) 2,000 metric tons of unbleached pulp for premium packaging paper</li> </ul> <i>(Production capacity has been modified and upgraded from the previous 10,000 metric tons to current 12,000 metric tons)</i>
Phase 1B (12.09 acres)	Not applicable as announced by the Company on 27 July 2017, Nextgreen Group had completed the disposal of approximately 12.09 acres of undivided leasehold land within the Land for GTP Pekan Project to Dengkil Paper Mill Sdn Bhd involving the construction of a tissue paper mill with production capacity of 5,000 metric tons of tissue paper using the PRC-RBMP Technology.			(a) First (1st) pulp and paper mill with production capacity of 5,000 metric tons of tissue paper using the PRC RBMP Technology.

(cont'd)

<b>Phases</b>	<b>Estimated gross development costs (RM'000)</b>	<b>Estimated gross development profits (RM'000)</b>	<b>Expected commencement and completion (Calendar year)</b>	<b>Proposed development</b>
Phase 2 <sup>(1)</sup>	700,000	140,000	2020-2022 • Applications have yet to be made to the relevant authorities.	(a) Pulp and paper mill with production capacity of 100,000 metric tons of box liner paper using the PRC RBMP Technology; (b) Pulp and paper mill with production capacity of 120,000 metric tons of corrugated paper using the PRC RBMP Technology; and (c) Waste water treatment plant – Waste water generated from GTP Pekan Project's manufacturing processes will be channeled into the waste water treatment plant and the treated water will be used in the pulp processing and paper mill.
Phase 3	Not available as it is still at the preliminary stage of planning and the development plans have not been finalised at this juncture.			(a) Second (2 <sup>nd</sup> ) pulp and paper mill with higher production capacity of 65,000 metric tons of tissue paper using the PRC RBMP Technology.
Phase 4	Not available as it is still at the preliminary stage of planning and the development plans have not been finalised at this juncture.			(a) Feed mill with production capacity of 30,000 metric tons of agro-feed using the microbial fermentation technology; and (b) Fertiliser plant with production capacity of 50,000 metric tons of fertiliser using the by-products produced from the biogas plant.
Phase 5	Not available as it is still at the preliminary stage of planning and the development plans have not been finalised at this juncture.			(a) Earmarked for light industries, involves the construction and the development of packaging and printing factories; and (b) The Renewable Paper Pulp Products produced in GTP Pekan such as wood free paper, corrugated paper and box liner paper can be used as raw materials for a company to invest in the packaging and printing industries.

Note:

(1) As announced by the Company on 16 October 2018, the Company had entered into an investment agreement with Asia Capital Investment Fund ("ACIF"), whereby ACIF agreed to invest a sum of RM400.00 million into several special purpose vehicle companies to be incorporated and 100% owned by Nextgreen. An amount of RM200.00 million of the funds from such investment was intended to be utilised for the development of Phase 2 of GTP Pekan Project.

Furthermore, on 8 November 2018, the Company announced that it had signed a memorandum of understanding with IHI Corporation and Nomura Holdings, Inc. for a Green Technology Investment Partnership whereby the parties agreed to discuss the possibility of developing a business structure and to conduct a feasibility study on the business which may involve sale of EFB pulp, EFB paper and EFB pellets including the procurement of EFB and such study was completed on 10 April 2019. The main target of the feasibility study is to study the abovementioned business and also to evaluate the potential collaboration between the parties in relation to the development of Phase 2 of GTP Pekan Project which consists of production of box liner paper and corrugated paper using the PRC-RBMP Technology.

Notwithstanding the above, Nextgreen Group intends to fund Phase 2 of GTP Pekan Project via joint ventures with potential investors, a combination of internally-generated funds or other forms of fund raising exercises in the near future, the exact portion of which has yet to be determined at this juncture.

For Phases 3 to 5, the total estimated gross development value, total gross development costs and total expected profits are not available as it is still at the preliminary stage of planning and is subject to the finalisation of the cooperation/ joint venture agreement to be entered into. The details of the development plans have not been finalised at this juncture and Nextgreen Group will submit the relevant applications to the authorities prior to the commencement of development of the phases.

In addition, Nextgreen Group intends to fund the remaining phases of GTP Pekan Project via joint ventures with potential investors, a combination of internally-generated funds and/or bank borrowings, the composition of which will be determined at a later stage after taking into consideration, amongst others, the project costs, cost of funding, the eventual amount of bank borrowings to be procured by Nextgreen Group, if required, and cash requirements of Nextgreen Group's existing business operations.

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#### 4. PROPOSED UTILISATION OF PROCEEDS

The actual proceeds to be raised from the Proposed Private Placement is dependent on the issue price and actual number of the Placement Shares to be issued.

Based on the indicative issue price of RM0.40 per Placement Share, the Proposed Private Placement is expected to raise gross proceeds of up to approximately RM46.36 million. The proceeds are intended to be utilised by Nextgreen Group in the following manner:

<u>Proposed utilisation</u>	<u>Notes</u>	<u>Minimum Scenario (RM'000)</u>	<u>Maximum Scenario (RM'000)</u>	<u>Timeframe utilisation from listing of Placement Shares for the</u>
1. Construction of the remaining Phase 1A GTP Pekan Project	(a)	23,500	37,000	Within 24 months
2. Purchase of additional equipment for the Phase 1A GTP Pekan Project	(b)	3,400	5,000	Within 24 months
3. Payment for other development costs for the Phase 1A GTP Pekan Project	(c)	3,130	4,142	Within 24 months
4. Estimated expenses in relation to the Proposed Private Placement	(d)	220	220	Upon completion of the Proposed Private Placement
<b>Total</b>		<u>30,250</u>	<u>46,362</u>	

Notes:

- (a) Nextgreen Group intends to utilise up to approximately RM37.00 million of the proceeds to be raised to partially finance the construction of the remaining Phase 1A GTP Pekan Project. The proceeds will be utilised for, amongst others, main building works, external works for road, drainage, soft landscaping and factory ancillary facilities, and mechanical and electrical works which include boilers and plants powered by fuels of organic origin (biomass steam boiler), use of cranes and locally manufactured equipment.
- (b) Nextgreen Group intends to utilise up to approximately RM5.00 million of the proceeds to be raised to purchase unbleached pulp equipment, which is used to produce unbleached pulp for packaging paper, includes pulp slushing tank, pulp storage tank, screw wire belt washer, middle consistency pressure screen, plastic tank, filtrate pump, dry solids pulp pump, screw conveyor, air water separator, fan, pulp chest propeller, pipe valve, automatic control, frequency conversion motor, and other facilities such as EFB stock bin, spray drying tower, air heating furnace, oxygen generation system, stainless steel oxygen bleaching tower, oxygen discharge pot and etc.
- (c) Nextgreen Group intends to utilise up to approximately RM4.14 million of the proceeds to be raised for payment for other development costs for the Phase 1A GTP Pekan Project which consists of fees to be paid to the relevant authorities for utilities and services such as water, sewerage and electrical services, other development fees that include planning and submission fees for development and building plans, and professional fees which include architecture and land surveyor fees.
- (d) The estimated expenses in relation to the Proposed Private Placement consist of professional fees, fees payable to authorities as well as other miscellaneous expenses to be incurred. Any variation to the estimated expenses for the Proposed Private Placement will be adjusted to or from the construction of the remaining Phase 1A of GTP Pekan Project.

Pending the utilisation of proceeds raised from the Proposed Private Placement, any unutilised proceeds will be placed in deposits with financial institutions or short-term money market instruments as the Board may deems fit.



## 5. RATIONALE AND JUSTIFICATION FOR THE PROPOSED PRIVATE PLACEMENT

The Proposed Private Placement will enable Nextgreen to raise funds for the construction and development of the remaining Phase 1A (including purchase of equipment) of GTP Pekan Project.

After due consideration of the various methods of fund raising as well as the capital structure of the Company, the Board is of the opinion that the Proposed Private Placement is the most appropriate means of raising funds for the following reasons:

- (i) allows Nextgreen to raise funds expeditiously and cost effectively without incurring interest costs as compared to bank borrowings. This allows the Company to preserve cash flow for reinvestment and/ or operational purposes for future growth;
- (ii) the Proposed Private Placement is comparatively a more efficient avenue to raise the required quantum of funds as opposed to other forms of equity fund raising approaches such as rights issue exercise, which although is a pro-rata issuance of securities to all the shareholders, it usually requires a higher percentage of discount to the prevailing market price as compared to an issuance of shares under a placement exercise and typically entails a longer implementation time;
- (iii) the Proposed Private Placement indicates the continued commitment of the Interested Shareholder as the Interested Shareholder intends to make further substantial investments into Nextgreen Group to support its expansion and growth plans, which would ultimately benefit all shareholders of Nextgreen Group; and
- (iv) upon the completion of the Proposed Private Placement, the enlarged capital base is also expected to further strengthen the financial position of Nextgreen Group, increasing financing flexibility and reducing current gearing levels.

### (a) Status of the past fund raising exercises undertaken by Nextgreen Group

On 22 October 2015, Nextgreen had completed a rights issue, raising a total gross proceeds of RM41.64 million from the rights issue exercise with the allotment and issuance of 99,145,199 Nextgreen Shares at an issue price of RM0.42 per Share. The said proceeds have been utilised as follows:

<b>Utilisation of proceeds</b>	<b>Proposed utilisation as per circular to shareholders dated 28 July 2015 (RM)</b>	<b>Actual utilisation as at the LPD (RM)</b>	<b>Balance unutilised (RM)</b>	<b>Timeframe for utilisation from the completion of rights issue exercise</b>
Acquisition of the Land	7,000	7,000	-	Within 24 months
Purchase of plant and machinery and other ancillary facilities for the 10,000 MT Pulp and Paper Mill	33,641	33,641	-	Within 24 months *
Estimated expenses in relation to the rights issue exercise	1,000	1,000	-	Within 6 months
<b>Total proceeds raised</b>	<b>41,641</b>	<b>41,641</b>	<b>-</b>	

Note:

\* As announced by the Company on 17 October 2018, the timeline for utilisation of the remaining proceeds raised from the said rights issue exercise allocated for purchase of plant and machinery and other ancillary facilities to be extended up to 22 October 2019. As at the LPD, the remaining proceeds raised from the said rights issue exercise have been fully utilised.

On 7 October 2019, Nextgreen completed the Previous Private Placement involving an issuance of 45,800,000 new Nextgreen Shares, where 21,300,000 and 24,500,000 new Nextgreen Shares have been issued at an issue prices of RM0.45 and RM0.40 per Share, respectively. The said proceeds have been utilised as follows:

<b>Utilisation of proceeds</b>	<b>Proceeds raised as at the LPD (RM'000)</b>	<b>Actual utilisation as at the LPD (RM)</b>	<b>Balance unutilised (RM)</b>	<b>Timeframe for utilisation from the listing of placement shares</b>
Payment for the Land	6,758	-	6,758	Within 12 months
Infrastructure costs related to the development of GTP Pekan Project which include sand backfilling for main access roads, site clearance, earthwork and other site preparation as well as improvements for wetland, sand stockpiled area and ground improvement and etc	10,138	10,138	-	Within 12 months
Working capital	2,339	2,339	-	Within 12 months
Estimated expenses in relation to the Previous Private Placement	150	150	-	Within 1 month
<b>Total proceeds raised</b>	<b>19,385</b>	<b>12,627</b>	<b>6,758</b>	

**(b) Value creation for the Company and its securities holders and potential dilution to other existing shareholders arising from the Proposed Private Placement**

The proposed proceeds to be raised from the Proposed Private Placement will be utilised for the construction of the remaining Phase 1A of GTP Pekan Project, in particular its construction costs, purchase of equipment and other development costs as set out in **Section 4** of this announcement. Phase 1A of GTP Pekan Project would provide Nextgreen Group with the production capacity of 10,000 metric tons of wood free paper, and 2,000 metric tons of unbleached pulp for premium packaging paper.

In addition, the potential collaboration and investments from strategic partners involving Nextgreen's PRC RBMP Technology of converting palm oil waste into pulp and paper for GTP Pekan Project would allow the Group to enter the business which may involve sale of EFB pulp, EFB paper and EFB pellets including the procurement of EFB as well as production of box liner paper and corrugated paper using the PRC-RBMP Technology. The Group will continue to seek other potential investors by identifying investors who are pursuing green technology or renewable energy and whom may also be interested in pursuing such green projects to be located in GTP Pekan Project. It also acts as an avenue for the PRC-RBMP Technology to be utilised, taking full advantage of an abundantly available and sustainable raw material produced by the local palm oil industry i.e. EFB – at competitive rate. It is a 'hybrid' of chemical, mechanical and thermal processes that can preserve the condition of EFB fiber for paper production. This is expected to have a positive impact on the financial performance of the Group when the anticipated benefits from GTP Pekan Project are realised, and thus directly enhance Nextgreen's shareholders' value.

Despite the Proposed Private Placement having a dilutive impact on the earnings per share ("EPS") and shareholdings of Nextgreen's existing shareholders, the Board believes that the potential accretive effects arising from the Proposed Private Placement will result in improvement of the financial performance which leads to the growth of the Group's future earnings. The Proposed Private Placement will enlarge the share capital of the Company and further strengthen the financial position of the Company.

## 6. INDUSTRY OVERVIEW, OUTLOOK AND PROSPECTS

### 6.1 Overview and prospects of the Malaysian economy

The Malaysian economy grew at a stronger pace of 4.9% in the second quarter of 2019 (1Q 2019: 4.5%), supported by continued expansion in domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.0% (1Q 2019: 1.1%).

Private sector activity remained the key driver of growth during the quarter. Private consumption expanded by 7.8% (1Q 2019: 7.6%), supported by continued income growth and festive spending during the quarter. Selected Government measures, such as the special Aidilfitri assistance and Bantuan Sara Hidup, also provided some lift to overall household spending. Private investment expanded at a faster pace of 1.8% (1Q 2019: 0.4%), supported by increased capital spending in the services and manufacturing sectors.

*(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2019, Bank Negara Malaysia)*

Against the backdrop of a challenging global environment, the Malaysian economy is expected to sustain its growth momentum, expanding by 4.3% – 4.8% in 2019 (2018: 4.7%). The external sector is expected to register a more moderate expansion in tandem with the moderation in global growth. Private sector activity will remain the anchor of growth amid continued rationalisation in the public sector. Labour market conditions are expected to remain supportive of growth, while inflation is projected to be broadly stable compared to 2018. Growth will be supported by the gradual recovery from the unanticipated commodity disruptions in 2018, which will also benefit the manufacturing sector and trade activity.

*(Source: Outlook and Policy 2019, Bank Negara Malaysia)*

### 6.2 Overview and prospects of the Malaysian oil palm biomass industry

According to the Malaysian Palm Oil Board (“**MPOB**”), Malaysia exported 24.8 million tonnes of oil palm products in 2018, contributing RM67.7 billion in revenue to the overall Malaysian economy.

The Government is committed to promoting and growing the oil palm products industry. Throughout 2018, Malaysian Investment Development Authority (“**MIDA**”) participated in various awareness and outreach programmes. From 24 to 27 July 2018, MIDA worked alongside the Malaysian Biomass Industries Confederation in the Sarawak International Palm Oil Week, which was held in Sibu, Sarawak. At the 38th Palm Oil Familiarisation Programme, organised by MPOB from 12 to 18 August 2018, MIDA gave an overall perspective of the Malaysian palm oil industry to overseas participants. In the final quarter, it continued to carry the baton by participating in the Palm Oil Refiners Association of Malaysia’s Annual Forum 2018 on 26 October 2018 in Selangor.

In 2018, a total of 12 projects with investments totalling RM384 million were approved in the oil palm products industry, with five new projects and seven expansion/diversification projects. Domestic investments dominated the industry, totalling RM332.7 million, with foreign direct investments amounting to RM51.3 million.

Every year, Malaysia produces approximately 168 million tonnes of biomass. Of this, over 80 million tonnes is generated by the palm oil industry. As the production technology is mature and proven, with relatively low infrastructure development costs and quick return of investment, palm biomass production in the country mainly concentrates on the manufacturing of fibre, briquettes, and pellets.

In the palm biomass industry, seven projects with investments of RM243.9 million were approved in 2018 – triple the investments of RM78.4 million in 2017. This represented a significant increase in capital investments per project. Foreign investments amounting to RM151.4 million represented 62% of total investments, with domestic direct investment making up the remaining RM92.5 million. The approved projects are expected to generate 592 employment opportunities.

*(Source: Malaysia Investment Performance Report 2018, MIDA)*

The Green Technology Master Plan (GTMP) is fundamentally an outcome of the Eleventh Malaysia Plan (2016-2020) which has earmarked green growth as one of six game changers altering the trajectory of the nation's growth. The GTMP creates a framework which facilitates the mainstreaming of green technology into the planned developments of Malaysia while encompassing the four pillars set in the National Green Technology Policy (NGTP) i.e. energy, environment, economy and social.

Green technology is cross-sectoral in nature, which presents a solution in balancing the needs for economic development and the country's responsibility towards the environment. The production and development of green technology offer the opportunity to stimulate economic activities in various sectors, creating jobs and attracting investment. Green technology also offers the capability of mitigating negative environmental impact resulting from economic activities. There is a growing global need to deal with dangers of climate change, in part through the implementation of green technology. Green technology application provides the solution to realise the country's commitment to the world.

It is anticipated that by 2030, green businesses will contribute approximately 1.5% to the nation's gross domestic product or equivalent to RM60 billion from RM7.9 billion in 2013. This projection is supported by Government's commitment towards realising the green targets, proper execution of policies and monitoring mechanism to keep track of green business performance, increase of exports as well as cooperation from private sectors. This will also contribute to RM94.3 billion of total investment in green technology.

*(Source: Green Technology Master Plan Malaysia 2017-2030, Prime Minister's Office of Malaysia's government policies dated 12 July 2019)*

### **6.3 Overview and prospects of the Malaysian pulp and paper industry**

The three large sub-sectors within Malaysia's paper, printing, and publishing industry include pulp manufacturing; paper and paper product manufacturing; and printing and publishing.

According to the Malaysian Pulp and Paper Manufacturer Association (MPPMA), a total of 1.4 million metric tonnes of waste paper were collected and processed in 2017. The industry's performance remains steady, with over 20 paper mills in the country with a total production capacity of 1.9 million metric tonnes annually.

Opportunities abound for investors in this industry. For instance, paper can also be produced from palm biomass. With 5.8 million hectares of oil palm plantations, Malaysia has a competitive advantage in this regard.

The Government has introduced the Automation Capital Allowance for industry players, empowering them to transform their processes whilst producing higher-value products. The paper, printing, and publishing industry recorded a tremendous jump in growth as compared with its 2017 performance. A total of 30 projects were approved with investments of RM5.4 billion in 2018, or a massive 1,463% increase over 2017's figure of RM347.9 million. The industry's capital investment per employee (CIPE) also recorded an increase of RM1.2 million (164%) over 2017's CIPE of RM704,000. These projects will provide 2,923 employment opportunities, with the majority of investments totalling RM4.3 billion (80%) coming from 13 new projects. Foreign investments dominated the industry, totalling RM5.0 billion (92%).

*(Source: Malaysia Investment Performance Report 2018, MIDA)*

#### **6.4 Prospects of Nextgreen Group**

In view of the government's initiatives and support for green technology and application of oil palm biomass products in the pulp and paper industry, the Board is of the view that such positive prospects will bode well for Nextgreen Group's venture in the wood free pulp and paper industry which in turn, will contribute positively to the future financial performance of Nextgreen Group.

As paper represents a large percentage of the total production cost for Nextgreen Group, it aims to be a manufacturer of Renewable Paper Pulp Products by using oil palm EFB as the main source of virgin fibre. EFB is a biomass waste generated by the oil palm industry and therefore the fibre derived from EFB is cost competitive.

The PRC-RBMP Technology opens an unique platform to tap into new business opportunities. The Company will have a major competitive advantage over its other printing competitors by providing clients in Malaysia and overseas a choice of using paper manufactured from a sustainable source at competitive rate. It augurs well for the Company's printing clients as globally companies are under increasing pressure to comply with stringent environmental laws and therefore will view this service of sustainable paper favorably.

Moreover, in view of the investment agreement with ACIF and memorandum of understanding signed between potential investment partners i.e. IHI Corporation and Nomura Holdings, Inc, the Group is in the midst of exploring potential collaboration and investment involving the Company's PRC RBMP Technology of converting palm oil waste into pulp and paper for GTP Pekan Project which would allow the Group to explore together with its investment partners, the business which may involve sale of EFB pulp, EFB paper and EFB pellets including the procurement of EFB as well as production of box liner paper and corrugated paper using the PRC-RBMP Technology. The Group will continue to seek other potential investors by identifying investors who are pursuing green technology or renewable energy and whom may also be interested in pursuing such green projects to be located in GTP Pekan Project.

Nextgreen Group has intended to position itself to be in line with the 2030 Agenda for Sustainable Development ("**Agenda**") which was adopted by the United Nations General Assembly in 2015. The Agenda forms the new global development framework anchored around 17 Sustainable Development Goals with a total of 169 targets covering economic, social development, and environmental protection, which is aligned with the Malaysian government's support of the aforementioned Agenda.

In addition, Nextgreen Group intends to replicate similar model and market of the PRC RBMP Technology to palm oil mills or third parties, supply and fabricate equipment, construct facilities for the manufacturing of Renewable Paper Pulp Products tailored to the palm oil mill's specifications, trade Renewable Paper Pulp Products and its manufactured by-products/ recycled wastes etc, all of which are expected to contribute positively to the future earnings of Nextgreen Group.

With the expected completion of the production facility for the pulp and paper business by March 2020 and its ready buyers of the products and the potential investors/ buyers of developed land at GTP Pekan Project, the Group will be able to improve its business' profitability. This will help to improve the working capital of the printing business to enable it to purchase paper at lower costs and be competitive in winning print orders. In view of the foregoing, the Group will be able to perform satisfactorily.

(Source: The management of Nextgreen Group)

## 7. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

### 7.1 Issued share capital

The proforma effects of the Proposed Private Placement on the issued share capital of the Company are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Nextgreen Shares	RM	No. of Nextgreen Shares	RM
Issued share capital as at the LPD	504,166,718	135,678,441	504,166,718	135,678,441
New Shares to be issued assuming full exercise of the Warrants	-	-	198,290,398	135,828,923 <sup>(1)</sup>
New Shares to be issued assuming full granting and exercise of the ESOS Options	-	-	70,245,711	35,825,313 <sup>(2)</sup>
<b>After full granting and exercise of the Convertible Securities</b>	<b>504,166,718</b>	<b>135,678,441</b>	<b>772,702,827</b>	<b>307,332,677</b>
New Shares to be issued pursuant to the Proposed Private Placement <sup>(3)</sup>	75,625,005	30,030,002	115,905,423	46,142,169
<b>Enlarged issued share capital</b>	<b>579,791,723</b>	<b>165,708,443</b>	<b>888,608,250</b>	<b>353,474,846</b>

Notes:

- (1) Based on the exercise price of RM0.60 per Warrant and after accounting for the reversal of the Warrants reserve of RM16,854,684.
- (2) Based on the illustrative exercise price of RM0.35 per ESOS Option, which represents a discount of 9.561% to the 5-day VWAMP of Nextgreen Shares up to and including the LPD of RM0.387 and after accounting for the reversal of the ESOS Options reserve amounting to RM11,239,314 (based on the fair value of the ESOS Options of RM0.16 each).
- (3) Based on the indicative issue price of RM0.40 per Placement Share, which represents a premium of 3.359% to the 5-day VWAMP of Nextgreen Shares up to and including the LPD of RM0.387 and after deducting the estimated expenses in relation to the Proposed Private Placement of RM220,000.

## 7.2 Net assets and gearing

The proforma effects of the Proposed Private Placement on the net assets (“NA”) and gearing of the Group are as follows:

### Minimum Scenario

	Audited as at 30 June 2018	(I) After adjustment for subsequent events <sup>(1)</sup>	(II) After (I) and the Proposed Private Placement
	RM	RM	RM
Share capital	114,591,680	135,678,441 <sup>(2)</sup>	165,708,443 <sup>(3)</sup>
Warrant Reserve	16,854,684	16,854,684	16,854,684
Share premium	2,797,932	-	-
Merger reserve	(16,832,846)	(16,832,846)	(16,832,846)
Treasury shares	(8,194,763)	-	-
Foreign currency translation	(315,231)	(315,231)	(315,231)
Retained earnings	9,585,804	9,585,804	9,585,804
<b>Equity attributable to owners of the Company</b>	<b>118,487,260</b>	<b>144,970,852</b>	<b>175,000,854</b>
Number of Nextgreen Shares in issue	458,366,718	504,166,718	579,791,723
NA per Nextgreen Share (RM)	0.26	0.29	0.30
Total borrowings (RM)	6,252,125	6,252,125	6,252,125
Gearing (times)	0.05	0.04	0.04

Notes:

- (1) After taking into account the issuance of 45,800,000 new shares pursuant to the Previous Private Placement which was completed on 7 October 2019. And, the Company has also disposed of all of the treasury shares with a net loss on disposal of RM955,079.
- (2) With the introduction of the Companies Act 2016 (“Act”) effective 31 January 2017, the concept of authorised share capital and par value of share capital has been abolished. The Act also provides that the share premium account shall become part of the share capital within 24 months from the effective date. Consequently, the balance of RM2,797,932 in the share premium account was transferred to the share capital account pursuant to the transitional provisions set out in Section 618(2) of the Act.
- (3) Based on the issuance of 75,625,005 Placement Shares at an indicative issue price of RM0.40 per Share (based on 3.359% premium to the 5-day VWAMP of Nextgreen Shares up to and including the LPD of RM0.387) and after deducting the estimated expenses in relation to the Proposed Private Placement of RM220,000.

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## Maximum Scenario

	Audited as at 30 June 2018	(I) After adjustment for subsequent events <sup>(1)</sup>	(II) After (I) and the full exercise of outstanding warrants	(III) After (I) and (II) and the full exercise of the ESOS Options	(IV) After (I), (II) and (III) and the Proposed Private Placement
	RM	RM	RM	RM	RM
Share capital	114,591,680	135,678,441 <sup>(2)</sup>	271,507,364 <sup>(3)</sup>	307,332,677 <sup>(4)</sup>	353,474,846 <sup>(5)</sup>
Warrant Reserve	16,854,684	16,854,684	-	-	-
Share premium	2,797,932	-	-	-	-
Merger reserve	(16,832,846)	(16,832,846)	(16,832,846)	(16,832,846)	(16,832,846)
Treasury shares	(8,194,763)	-	-	-	-
Foreign currency translation	(315,231)	(315,231)	(315,231)	(315,231)	(315,231)
Retained earnings	9,585,804	9,585,804	9,585,804	(1,653,510) <sup>(4)</sup>	(1,653,510)
<b>Equity attributable to owners of the Company</b>	<b>118,487,260</b>	<b>144,970,852</b>	<b>263,945,091</b>	<b>288,531,090</b>	<b>334,673,259</b>
Number of Nextgreen Shares in issue	458,366,718	504,166,718	702,457,116	772,702,827	888,608,250
NA per Nextgreen Share	0.26	0.29	0.38	0.37	0.38
Total borrowings (RM)	6,252,125	6,252,125	6,252,125	6,252,125	6,252,125
Gearing (times)	0.05	0.04	0.02	0.02	0.02

### Notes:

- (1) After taking into account the issuance of 45,800,000 new shares pursuant to the Previous Private Placement which was completed on 7 October 2019. And, the Company has also disposed of all of the treasury shares with a net loss on disposal of RM955,079.
- (2) With the introduction of the Act effective 31 January 2017, the concept of authorised share capital and par value of share capital has been abolished. The Act also provides that the share premium account shall become part of the share capital within 24 months from the effective date. Consequently, the balance of RM2,797,932 in the share premium account was transferred to the share capital account pursuant to the transitional provisions set out in Section 618(2) of the Act.
- (3) Based on the exercise price of RM0.60 per Warrant and after accounting for the reversal of the Warrants reserve of RM16,854,684.
- (4) Based on the illustrative exercise price of RM0.35 per ESOS Option, which represents a discount of 9.561% to the 5-day VWAMP of Nextgreen Shares up to and including the LPD of RM0.387 and after accounting for the reversal of the ESOS Options reserve amounting to RM11,239,314 (based on the fair value of the ESOS Options of RM0.16 each).
- (5) Based on the issuance of 115,905,423 Placement Shares at an indicative issue price of RM0.40 each (based on 3.359% premium to the 5-day VWAMP of Nextgreen Shares up to and including the LPD of RM0.387 and after deducting the estimated expenses in relation to the Proposed Private Placement of RM220,000.



### 7.3 Substantial shareholders' shareholdings

The pro-forma effects of the Proposed Private Placement on the substantial Shareholders' shareholdings based on the register of substantial Shareholders of the Company as at the LPD are as follows:

#### Minimum Scenario

	As at the LPD				(i) After the Proposed Private Placement			
	Direct		Indirect		Direct		Indirect	
	No. of Nextgreen Shares	%	No. of Nextgreen Shares	%	No. of Nextgreen Shares	%	No. of Nextgreen Shares	%
Dato' Lim Thiam Huat	74,352,564	14.75	4,910,000 <sup>(1)</sup>	0.97	74,352,564	12.82	4,910,000 <sup>(1)</sup>	0.85
Federal Land Development Authority ("FELDA")	43,914,101	8.71	-	-	43,914,101	7.57	-	-
Ling Siew Luan	39,955,899	7.93	-	-	39,955,899	6.89	-	-
Amechanus Ventures Sdn Bhd	30,000,000	5.95	-	-	30,000,000	5.17	-	-
Multiway Trading Ltd	45,000,000	8.93	-	-	45,000,000	7.76	-	-
KPF <sup>(2)</sup>	25,060,000	4.97	-	-	75,476,670	13.02	-	-
Investor(s) to be identified	-	-	-	-	25,208,335	4.35	-	-

Notes:

(1) Deemed interested in the shares held by his daughter, Lim Kah Yen.

(2) As at the LPD, KPF is not a substantial shareholder of Nextgreen. Upon completion of the Proposed Private Placement, KPF will become a substantial shareholder of Nextgreen.

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## Maximum Scenario

	As at the LPD				(I) After full exercise of the outstanding Warrants <sup>(2)</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Nextgreen Shares	%	No. of Nextgreen Shares	%	No. of Nextgreen Shares	%	No. of Nextgreen Shares	%
Dato' Lim Thiam Huat	74,352,564	14.75	4,910,000 <sup>(1)</sup>	0.97	150,784,568	21.47	4,910,000 <sup>(1)</sup>	0.70
FELDA	43,914,101	8.71	-	-	43,914,101	6.25	-	-
Ling Siew Luan	39,955,899	7.93	-	-	45,487,197	6.48	-	-
Amechanus Ventures Sdn Bhd	30,000,000	5.95	-	-	30,000,000	4.27	-	-
Multiway Trading Ltd	45,000,000	8.93	-	-	45,000,000	6.41	-	-
KPF <sup>(5)</sup>	25,060,000	4.97	-	-	25,060,000	3.57	-	-
Investor(s) to be identified	-	-	-	-	-	-	-	-

  

	(II) After (I) and full grant and exercise of the ESOS Options <sup>(3)</sup>				(III) After (II) and the Proposed Private Placement			
	Direct		Indirect		Direct		Indirect	
	No. of Nextgreen Shares	%	No. of Nextgreen Shares	%	No. of Nextgreen Shares	%	No. of Nextgreen Shares	%
Dato' Lim Thiam Huat	154,296,854 <sup>(4)</sup>	19.97	4,910,000 <sup>(1)</sup>	0.64	154,296,854	17.36	4,910,000 <sup>(1)</sup>	0.55
FELDA	43,914,101	5.68	-	-	43,914,101	4.94	-	-
Ling Siew Luan	45,487,197	5.89	-	-	45,487,197	5.12	-	-
Amechanus Ventures Sdn Bhd	30,000,000	3.88	-	-	30,000,000	3.38	-	-
Multiway Trading Ltd	45,000,000	5.82	-	-	45,000,000	5.06	-	-
KPF <sup>(5)</sup>	25,060,000	3.24	-	-	102,330,282	11.52	-	-
Investor(s) to be identified	-	-	-	-	38,635,141	4.35	-	-

Notes:

- (1) *Deemed interested in the shares held by his daughter, Lim Kah Yen.*
- (2) *Assuming all 198,290,398 outstanding Warrants are exercised into new Nextgreen Shares.*
- (3) *Assuming all the ESOS Options are exercised into new Nextgreen Shares.*
- (4) *Assuming Dato' Lim Thiam Huat is granted 5% of the total number of ESOS Options which can be granted and exercised into new Nextgreen Shares. All of the ESOS Options granted to him are assumed to be exercised in full.*
- (5) *As at the LPD, KPF is not a substantial shareholder of Nextgreen. Upon completion of the Proposed Private Placement, KPF will become a substantial shareholder of Nextgreen.*

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#### **7.4 Earnings and EPS**

The Board expects the Proposed Private Placement to contribute positively to the future earnings of the Group via the utilisation of proceeds as set out in **Section 4** of this announcement.

Subsequent to the completion of the Proposed Private Placement, the EPS of Nextgreen Group shall be correspondingly diluted as a result of the increase in the number of Shares arising from the Proposed Private Placement.

The potential effects of the Proposed Private Placement on the consolidated earnings of Nextgreen moving forward will depend on, amongst others, the number of Placement Shares to be issued and the level of returns generated from the utilisation of the proceeds to be raised from the Proposed Private Placement.

#### **7.5 Convertible Securities**

As at the LPD, there are:

- (i) outstanding 198,290,398 Warrants; and
- (ii) ESOS Options of up to 10% of the total number of issued shares of Nextgreen which may be granted and exercised into new Nextgreen Shares.

In accordance with the provisions of the Deed Poll governing the Warrants and the by-laws governing the ESOS, the Proposed Private Placement will not result in any adjustments to the exercise price and/or number of outstanding Warrants and ESOS Options.

Save for the above, the Company does not have any other outstanding convertible securities as at the LPD.

### **8. APPROVALS REQUIRED**

The Proposed Private Placement is subject to the following approvals being obtained:

- (i) Bursa Securities, for the listing and quotation of the Placement Shares on the Main Market of Bursa Securities;
- (ii) the shareholders of Nextgreen, for the Proposed Private Placement at an extraordinary general meeting (“**EGM**”) of the Company to be convened; and
- (iii) any other relevant authorities/ parties, if required.

The Proposed Private Placement is not conditional upon any other corporate proposals undertaken or to be undertaken by the Company.

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**9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

Save as disclosed below, as at the LPD, none of the directors and/or major shareholders of the Company and persons connected to them have any interests, direct or indirect/deemed, in relation to the Proposed Private Placement.

KPF, a shareholder of Nextgreen, holds directly 4.97% equity interest in Nextgreen. Pursuant to the Proposed Private Placement, the Company proposes to issue up to 10% of the total number of issued shares of Nextgreen to KPF. Subject to obtaining the relevant approvals from the authorities and after the implementation of the Proposed Private Placement, KPF will become a major shareholder resulting from the Proposed Private Placement.

Accordingly, KPF is deemed interested in relation to the Proposed Private Placement. KPF will abstain from voting in respect of their direct and/or indirect/deemed shareholdings in Nextgreen (if any), on the resolution(s) pertaining to the Proposed Private Placement at an EGM to be convened.

Further, KPF will also ensure that persons connected to them respectively will abstain from voting in respect of their direct and/or indirect/deemed shareholdings, if any, on the resolutions pertaining to the Proposed Private Placement at an EGM to be convened.

**10. DIRECTORS' STATEMENT**

The Board, after having considered all aspects of the Proposed Private Placement, including the rationale and justification, the utilisation of proceeds and the effects of the Proposed Private Placement, is of the opinion that the Proposed Private Placement is in the best interests of the Company.

**11. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposed Private Placement is expected to be completed by the first quarter of 2020.

**12. APPLICATION TO THE AUTHORITY**

Barring any unforeseen circumstances, the application to Bursa Securities in relation to the Proposed Private Placement is expected to be made within 1 month from the date of this announcement.

**13. PRINCIPAL ADVISER AND SOLE PLACEMENT AGENT**

RHB Investment Bank has been appointed as the Principal Adviser and Sole Placement Agent for the Proposed Private Placement.

This announcement is dated 14 October 2019.