

**NEXTGREEN GLOBAL BERHAD (“NEXTGREEN” OR “THE COMPANY”)
MEMORANDUM OF UNDERSTANDING BETWEEN STATE GOVERNMENT OF KELANTAN**

INTRODUCTION

The Board of Directors of Nextgreen wishes to announce that the Company had on 26 January 2022 entered into a Memorandum of Understanding (“MOU”) between the State Government of Kelantan through a joint venture with the Kelantan state-linked company or any parties determined by the State Government to develop Kelantan Sustainable Projects with an estimated RM2.23 billion valuation (referred to as “Project”), 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.

Nextgreen and State Government of Kelantan are each referred to as the “Party” and collectively referred to as the “Parties”.

INFORMATION OF NEXTGREEN

Nextgreen is a Public Listed Company registered in Malaysia under the Companies Act 1965 and having a business address at Level 6-02, Menara LGB, No. 1, Jalan Wan Kadir, Taman Tun Dr. Ismail, 6000 Kuala Lumpur. The principal activities of the Company are investment holding and provision of management services.

INFORMATION OF STATE GOVERNMENT OF KELANTAN

State Government of Kelantan whose address is at Mabna MBI, Kota Darulnaim Complex, 15503, Kota Bharu, Kelantan.

SALIENT TERMS OF THE MOU

The salient terms of the MOU are set out below:

- a) Pursuant to the MOU, the State Government of Kelantan agrees the following:
- To provide full support and cooperation in planning the implementation of the Project;
 - To strive to ensure that the Project can be developed successfully through joint venture methods;
 - To strive to provide the facilities and needs of implementing the Project, especially matters relating to land requirements, infrastructure and technical support;
 - Collaborate in providing relevant information, case studies and data analysis on the Project in the success of the MOU;

- Provide cooperation in ensuring success, continuity and continued impact of the Project, especially in the supply chain aspect that includes the development of the Project, infrastructure facilities and project development; and
- The Parties agree to work together in any aspect that is necessary in ensuring the implementation of the Project.

b) Nextgreen hereby agrees the following:-

- To provide technical support and full cooperation in drafting the implementation of the Project;
- To advise and develop the need for implementing the Project;
- Collaborate in providing relevant information, case studies and data analysis on the Project in the success of the MOU;
- Provide cooperation in ensuring the success, continuity and continuous impact of the Project, especially in the supply chain aspect which includes the development of the Project, infrastructure facilities and development of the Project; and
- The Parties agree to work together in any aspect that should be in ensuring the implementation of the Project.

c) Nextgreen will invest finance for management costs, operations, revenue production and so on for the development of the Project, namely project development on palm oil collection and processing center, forest plantation, pulp mill, animal feed mill and fertilizer plant.

DURATION OF MOU

The MOU shall be effective for one (1) year from the date of the execution of the MOU. All commitments given will be valid for a period of one (1) year subject to review and modification as mutually agreed.

RATIONALE OF THE MOU

To establish a continuous and effective cooperation through joint venture with the Kelantan state-linked company or any parties determined by the State Government to develop Kelantan Sustainable Projects with an estimated RM2.23 billion valuation, namely project development on palm oil collection and processing center, forest plantation, pulp mill, animal feed mill and fertilizer plant.

FINANCIAL EFFECTS OF THE MOU

The MOU will not have any effect on the share capital and substantial shareholders' shareholding of Nextgreen.

The MOU is not expected to have any immediate material effect on the earnings per share, net assets per share and gearing of the Nextgreen Group for the financial year ending 31 December 2022.

DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors and/or major shareholders of the Company and/or persons connected with them have any interest, direct or indirect, in the MOU.

APPROVALS REQUIRED

The MOU is not subject to the approval of the shareholders of Nextgreen or any regulatory authority.

STATEMENT BY BOARD OF DIRECTORS

The Board of Director of Nextgreen, having reviewed and considered the terms and conditions of the MOU, is of the opinion that the MOU is in the best interest of the Company and the terms and conditions of the MOU are fair, reasonable and on terms that are not detrimental to the minority shareholders of the Company.

DOCUMENTS FOR INSPECTION

The MOU is available for inspection at the registered office of Nextgreen at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor during normal business hours from Monday to Friday (except public holiday) for a period of three (3) months from the date of this announcement.

This announcement is dated 26 January 2022.