

**NEXTGREEN GLOBAL BERHAD ("NGGB" OR THE "COMPANY")
SHAREHOLDERS' AGREEMENT BETWEEN NEXTGREEN BIOMASS SDN BHD, GREENTECH MALAYSIA
ALLIANCES SDN BHD, KOPERASI SAHABAT AMANAH IKHTIAR MALAYSIA (KOOP SAHABAT) BERHAD
AND KOPERASI PERKHIDMATAN SETIA BERHAD**

Reference is made to the Company's announcement made on 15 July 2022 pertaining to the Memorandum of Agreement. Unless otherwise stated, the definitions and terms used herein shall have the same meaning as defined in the previous announcement.

1. INTRODUCTION

The Board of Directors of Nextgreen wishes to announce that Nextgreen Biomass Sdn Bhd ("**NGBSB**"), its wholly-owned subsidiary of the Company had on 3 April 2023 entered into a Shareholders' Agreement ("**SA**") with Greentech Malaysia Alliances Sdn Bhd ("**GTMASB**"), Koperasi Sahabat Amanah Ikhtiar Malaysia (KOOP SAHABAT) Berhad ("**KOOP SAHABAT**") and Koperasi Perkhidmatan Setia Berhad ("**KOSETIA**"), to establish a joint venture in the special purpose vehicle ("**SPV**") Company namely GTC Biomass Berhad for constructing, developing and commissioning Twenty (20) Oil Palm Waste Collection and Processing Centres ("the Centres") throughout Malaysia ("**the Project**").

NGBSB, GTMASB, KOOP SAHABAT and KOSETIA are collectively referred to as the "Parties" and separately as "Party".

KOOP SAHABAT and KOSETIA are collectively referred to as "Cooperatives".

2. SALIENT TERMS OF THE SA

2.1 Areas of Cooperation

Each party is subject to the laws, regulations and policies applicable in Malaysia in force from time to time and will endeavor to take the necessary measures to promote cooperation as follows:

- a) NGBSB will provide investment opportunities to the Parties in developing the Centres upon the pre-set terms and conditions of the SA;
- b) NGBSB will through its related company Nextgreen Pulp & Paper Sdn Bhd ("**NGPP**") shall obliges to purchase all oil palm waste or derivatives thereof from the Centres;
- c) GTMASB will assist in the bonds/sukuk (Green Sukuk) issuance as an investment opportunities to domestic and foreign investors with financial responsibility and cost for the said exercise to be borne by the SPV Company;
- d) GTMASB will assist and facilitate in obtaining the necessary certification for the Centres;
- e) KOOP SAHABAT will lead and work together with other parties to obtain the crowdfunding up to the targeted amount from the other cooperatives in Malaysia to enable Parties other than existing shareholders to invest through the offer to subscribe Preference Shares in the SPV Company.

The SPV Company will issue Preference Shares through Kenanga Investor Berhad to enable the parties other than the Shareholders, to also invest through the offer to purchase Preference Shares in the SPV Company.

2.2 Board of Directors

Roles of the Board of Directors

The Board of Directors shall be responsible for and empowered to determine the overall policy and management of the SPV Company. Save as otherwise herein provided, the Board of Directors shall have full power and authority to delegate such powers by appointing the management team which shall report to and be answerable to the Board of Directors.

Total number of directors and structure

At all times whilst the SA remains in force, or unless otherwise expressly agreed in writing by the Parties hereto, the number of directors of the SPV Company shall be not less than two (2) but not more than nine (9).

Notice of any appointment, removal or substitution of a director shall be given to the SPV Company at its registered office address and the Parties hereto shall procure such action as necessary under the Articles of the SPV Company to affect the appointment, removal or substitution, as the case may be subject to the compliance of the Act, the Articles and the provisions of the SA.

There shall be shareholding qualification for directors of the SPV Company as below mentioned.

Name of Shareholder	Shareholding qualification
NGBSB	Any representatives that are approved by the Board
GTMASB	Any representative that is approved by the Board
KOOP SAHABAT	Representative must be a Chairman
KOSETIA	Any representative that is approved by the Board

The first Board of Director of SPV Company shall consist of seven (7) directors as below mentioned upon the Effective Date.

Name of Shareholder	Name of Director
NGBSB	Dato' Lim Thiam Huat Dato' Mohd Yusof Bin Din Miss Lim Kah Yen Miss Lim Kah Yee
GTMASB	Madam Elina Binti Jani
KOOP SAHABAT	Mr. Mohd Najib Bin Haji Mohd Noor
KOSETIA	Mr. Mohamad Rafi Bin VPP Abdullah

Board Meetings

Board Meetings shall be held at least once in every four (4) months or at such other intervals as the Parties shall agree from time to time and shall in addition be convened whenever the Party hereto shall require.

The Chairman of the Board shall be a director appointed by the board.

Any decision in Board meeting shall be agreed by majority Board of Director.

2.3 Operation of the SA

The terms and provisions of the SA shall be operative, applicable and be binding on each of the Parties upon the Shareholders becoming shareholders of the SPV Company being the date of the lodgement of the relevant statutory forms to the Companies Commission of Malaysia the Parties.

2.4 Transfer of Shares

- a) If a shareholder wishes to sell the shares, or any number thereof (“Offeror”), the Offeror must first offer the said shares to the other shareholders at a value not less than the par value. If, no response is received from the shareholders within thirty (30) days from the date of the offer, the Offeror may then opt to offer to the third parties to purchase the shares, which only is effective upon the succession approval by the Board.
- b) Where a Party has transferred its share(s) to another, it shall cause for its shareholder’s representatives in the Board and their alternate be simultaneously removed from the Board of the SPV Company and shall indemnify the SPV Company, its Board and shareholders from any cost, expenses, damages and liabilities effecting from the said removal.
- c) Any transfer shall not in any manner whatsoever affect the equity conditions/requirements imposed by authority(ies) and/or regulatory body(ies) and shall be subjected always to the requisite approval(s) of the authorities and/or regulatory bodies.

2.5 Breach of SA

- a) Notwithstanding anything contained in the SA, in the event any Party hereto shall breach any part of the SA (hereinafter referred to as “Defaulting Party”), the Party not in breach shall serve a written notice to the Defaulting Party and give thirty (30) Business days’ notice to the Defaulting Party to rectify the breach(es) thereof failing which the Party who is not in breach may take all legal action available to it under the law against the Defaulting Party.
- b) The modes of settlement shall be subjected to the terms in the SA.

2.6 Exercise of Voting Rights

Each of the Parties hereto agree that it shall exercise its voting rights in the SPV Company to give effect to the provisions of the SA and to take such steps as for the time being lies within its powers to ensure that the SPV Company shall adopt a policy consistent with the financial position of the SPV Company.

2.7 Termination

- a) Unless otherwise agreed or terminated in accordance with the SA, the SA shall subsist so long as the Parties hereto are shareholders of the SPV Company.
- b) If a Shareholder:-
 - i) shall commit any material breach of its obligations under this and if remediable shall fail to remedy such breach within the period as provided in the SA hereof;
 - ii) enters voluntary liquidation otherwise than for the purpose of reconstruction or amalgamation or an order of Court is made for the whole or any material part of its assets;
 - iii) enters into any composition or arrangement with its creditors other than in the ordinary course of its business;
 - iv) shall have a receiver and/or manager appointed over the whole or any material part of its assets;
 - v) being an individual, shall have a bankruptcy petition filed against him; or
 - vi) shall transfer or purport or attempt to transfer his shares other than in accordance with the SA.

then and in any such event the other Party shall without prejudice to such other rights and remedies as it may have terminated the SA forthwith in its entirety by notice in writing to the other Party as the case may be. Further and in such event the defaulting Party shall be deemed to have made an offer to sell its entire shareholding in the SPV Company to the other Shareholder at its fair value not below the Par Value.

- c) Termination of the SA for any cause shall not release any Party hereof from any liability which at the time of termination has already accrued to the other Party hereto or which may thereafter accrue in respect of any act or omission prior to such termination.

3. RATIONALE

The rationale of the SA is for the purpose of building, developing and commissioning twenty (20) Palm Oil Waste Collection and Processing Centres (“the Centres”) through Malaysia.

4. RISK FACTORS

Save for the normal business and global economic risk, the Board of Directors of Nextgreen is not aware of any other risk factors which may arise as a result of the SA.

6. FINANCIAL EFFECT

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

The SA is not expected to have any material impact on the Company's earnings per share, net assets and gearing for the current financial year ending 31 December 2023. However, it is expected to contribute positively to the future earnings of the Company.

7. INTEREST OF DIRECTORS, AND MAJOR SHAREHOLDERS AND/ OR PERSONS CONNECTED WITH THEM

None of the directors and/or major shareholders of Nextgreen and/or persons connected with them have any interest, direct or indirect, in the SA.

8. STATEMENT BY DIRECTORS

The Board, after having considered all aspects of the SA, is of the opinion that the SA is in the best interest of the Company and shareholders.

9. APPROVALS REQUIRED

The SA is not subject to the approval of the shareholders of Nextgreen or any regulatory authorities.

10. DOCUMENTS FOR INSPECTION

The SA is available for inspection at the registered office of the Company at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, W. P. 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 3 April 2023.