

## NEXGRAM HOLDINGS BERHAD (“NEXGRAM” OR “THE COMPANY”)

### ACQUISITION OF 51% OF EQUITY IN TRI-G TECHNOLOGIES SDN BHD (“TRI-G”) BY NEXGRAM INDUSTRIES SDN BHD, A SUBSIDIARY OF THE COMPANY (“PROPOSED ACQUISITION”)

Pursuant to Rule 10.05 of the Bursa Malaysia Securities Berhad ACE Market Listing Requirements, the Board of Directors of Nexgram wishes to announce the following transaction:-

#### 1.0 **Particulars of the Transaction**

1.1 Nexgram Industries Sdn Bhd. (“NISB”), a wholly-owned subsidiary of the Company has on 28 April 2020 entered into a Share Sales Agreement (“SSA”) with the following Parties, to obtain a combined total of 51% equity interest in Tri-G Technologies Sdn Bhd (“TRI-G”) (Company No. 899363-H) for a total consideration of Ringgit Malaysia Two Million Forty Thousand (RM2,040,000.00) only (“the Acquisition”) via the issuance of Redeemable Convertible Preference Shares (“RCPS”) in NISB:

- i) To acquire 50% of TRI-G from Nor Haila Binti Yunos @ Yunus (“Haila”) at the consideration of Ringgit Malaysia Two Million (RM2,000,000.00) only;
- ii) To acquire 1% of TRI-G from Nor Halim Bin Ahmad Sayuni (“Halim”) at the consideration of Ringgit Malaysia Forty Thousand (RM40,000.00) only.

1.2 Upon the Acquisition, the shareholding structure of TRI-G is as follows:-

Shareholders of TRI-G	Before Acquisition		After Acquisition	
	Share Held in TRI-G	Equity Interest % held in TRI-G	Share Held in TRI-G	Equity Interest % held in TRI-G
Nor Haila binti Yunos @ Yunus	250,000	50%	-	-
Nor Halim bin Ahmad Sayuni	250,000	50%	245,000	49%
Nexgram Industries Sdn. Bhd	-	-	255,000	51%

#### 1.3 **Information on Tri-G**

TRI-G was incorporated as a private limited company on 22 April 2010 in Malaysia under the Companies Act, 1965 under the name of Tri-G Technologies Sdn. Bhd. TRI-G is principally dealing in medical equipment and related products or services.

TRI-G is a Malaysia Medical Device Authority (“MDA”) licensed medical supplies distributor with Good Distribution Practice for Medical Devices (GDPMD) certificate.

#### 1.4 **Information on NISB**

NISB is a wholly-owned subsidiary of the Company which was incorporated in Malaysia on 23 July 2013 with Registration No. 201301025745 (1055575-H), having its business address at SO28-01, Menara 1, Jalan Bangsar, 59200 Kuala Lumpur, Malaysia. The issued and paid-up capital of NISB is RM300,000-00 divided into 300,000 ordinary shares.

NISB is engaged in the Industrialisation 4.0 project investments involving automation, big data, and artificial intelligence. The company currently provide industrial cable solution for the telecommunication market, as well as carrying master distributorship for Electronic Vehicle (EV) charging solution in the South East Asian markets via NISB wholly owned subsidiary Nexgram Zhida New Energy Development Sdn Bhd.

#### 2.0 **Basis of arriving at the Purchase Consideration for the Proposed Acquisition**

The Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration various factors, amongst others, TRI-G's profit before tax of RM0.02 million and its net assets of RM0.53 million as at 31 December 2018 and the increased revenue arising from the sales of medical devices during the pandemic.

The Purchase Consideration of RM2,040,000-00 is to be satisfied via the issuance of 25,500 RCPS in NISB at an issue price of RM80-00 per RCPS at zero coupon rate with no declaration of dividend throughout the tenure of three (3) years commencing from and inclusive of 28 April 2020 with an option to extend for another period of three (3) years.

Every one (1) RCPS may be converted into one (1) new NISB Share at 3rd anniversary of RCPS or if extended, at the 6th anniversary of the RCPS shall be automatically converted into new NISB shares.

NISB shall have the option to redeem the RCPS at the 3rd anniversary of RCPS or if extended, at the 6th anniversary ("Maturity Date") based on the latest audited net assets of NISB as at the Maturity Date and in accordance with the provisions of the Companies Act, 2016.

#### 3.0 **Rationale for the Proposed Acquisition**

The Proposed Acquisition allows NISB to invest into TRI-G as part of its strategy to seek for strategic partner to expand its medical equipment supply market which an Exclusive Master Distribution Agreement has been signed between NISB and TRI-G on 27 March 2020. The details in relation to the Exclusive Master Distribution were detailed out in the Company's announcement dated 21 April 2020.

#### **4.0 Effects of the Proposed Acquisition**

The Proposed Acquisition does not have any effect on the share capital and substantial shareholders' shareholdings of Nexgram. It is also not expected to have any material effect on the net assets, gearing and earnings of Nexgram for the financial year ending 31 July 2020.

However, assuming there is no new issuance of shares in NISB for subscription by Nexgram, upon full conversion by the RCPS holders on the expiry of the tenure of the RCPS, Nexgram's shareholdings in NISB will be diluted to 92%.

#### **5.0 Directors and Major Shareholders' Interest**

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

#### **6.0 Directors' Statement**

Having considered all aspects of the Proposed Acquisition, the Board of Directors of Nexgram is of the opinion that the Proposed Acquisition is in the best interest of the Company.

#### **7.0 Percentage Ratio Applicable Pursuant To Paragraph 10.02(g) of Bursa Malaysia Securities Berhad Ace Market Listing Requirements**

The highest percentage ratio applicable to the Proposed Acquisition pursuant to the percentage ratios as per Rule 10.02(g) of Chapter 10 of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad is approximately of 1.60% computed based on the aggregate value of the consideration given in relation to the Proposed Acquisition, compared with the Net Assets of the listed corporation.

This announcement is dated 4 May 2020.