

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

### **SALES AGREEMENT ENTERED INTO BETWEEN NEXGRAM INDUSTRIES SDN BHD WITH SHANGHAI LIANGRUN BIOMEDICINE TECHNOLOGY CO., LTD FOR DISTRIBUTING TRI-G’S COVID-19 MEDICAL DEVICES AND AS AN AUTHORISED DISTRIBUTOR FOR MALAYSIA**

#### **1.0 INTRODUCTION**

The Board of Directors of Nexgram is pleased to announce that Nexgram Industries Sdn Bhd. (“**NISB**”), a wholly-owned subsidiary of the Company has on 12 March 2020 entered into a Sales Agreement (“**Agreement**”) with Shanghai Liangrun Biomedicine Technology Co., Ltd (“**Shanghai Liangrun**”) to sell their product, Diagnostic Kit for Antibody IgM/IgG of Novel Coronavirus COVID-19 (“**Diagnostic Kit**”) in Malaysia and Indonesia. Besides, Shanghai Liangrun has appointed NISB as the authorised dealer to seek the approvals from the Ministry of Health in Malaysia and Pharmaceuticals and Medical Devices, Ministry of Health of Republic Indonesia for the distribution of the Diagnostic Kit.

#### **2.0 INFORMATION ON SHANGHAI LIANGRUN AND NISB**

##### **2.1 SHANGHAI LIANGRUN**

Shanghai Liangrun, a company registered and incorporated in China on 9<sup>th</sup> September 2013 having its address at Level 4, Building 1, No. 271 Gang’ao Road, Pilot Free Trade Zone, Shanghai, China. Shanghai Liangrun is engaged in production of amongst others, tumor markers, diagnostic kits and related products in the health industry.

##### **2.2 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.

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.

As disclosed in Nexgram’s announcement dated 21<sup>st</sup> April 2020, NISB had on 27<sup>th</sup> March 2020 signed an Exclusive Master Distributorship Agreement with Tri-G Technologies Sdn. Bhd. (“**TRI-G**”) to carry out the business of procurement and distributing Tri-G’s medical supplies, including Novel Coronavirus (2019-nCoV) IgM/IgG Rapid Test Kit, and Novel Coronavirus (2019-nCoV) RT-qPCR Detection and Diagnostic Kit. NISB is authorised to distribute TRI-G products worldwide.

TRI-G is a licensed medical device distributor and had obtained master distribution authorisation to distribute Novel Coronavirus (2019-nCoV) IgM/IgG Rapid Test Kit,

and Novel Coronavirus (2019-nCoV) RT-qPCR Detection and Diagnostic Kit. TRI-G is currently already distributing Malaysia Medical Device Authority (MDA) special access approved Novel Coronavirus (2019-nCoV) IgM/IgG Rapid Test Kit to medical centres.

References are made to the Nexgram's announcement dated 20<sup>th</sup> April 2020 and 22<sup>nd</sup> April 2020, NISB had secured regional dealership from manufacturers of Covid-19 devices, including Novel Coronavirus (2019-nCoV) RT-qPCR machine and laboratory equipment.

### **3.0 SALIENT TERMS OF THE AGREEMENT**

#### **3.1 Scope of Agreement**

When NISB has product demand, it shall promptly negotiate with Shanghai Liangrun on the quantity, price and delivery place of the Diagnostic Kit, which shall become effective upon confirmation by both parties.

The parties understand that NISB's 51% owned subsidiary, TRI-G is the company registered under Medical Device Authority (MDA), Ministry of Health, Malaysia and licensed to operate under the Medical Device Act 2012 (Act 737) shall be in the best endeavours to obtain the necessary approval and license for the Diagnostic Kit to be distributed in Malaysia and in Indonesia. In the event that any of the applications to the MDA in Malaysia or equivalent authority in Indonesia is rejected or with conditions not reasonable or acceptable to the relevant parties or shall not have been given or not obtained, where as there is no other products of interest for approval, either party may terminate this Agreement immediately.

#### **3.2 Term**

The Agreement shall come into effect upon the date of the Agreement for a term of one (1) year and renewable subject to the mutual agreement of both parties on yearly basis.

### **4.0 RISK FACTORS**

Save for the normal business risk, the Board of Directors of Nexgram is not aware of any other risk factors which arise as a result of the Agreement.

### **5.0 FINANCIAL EFFECTS**

This Agreement will not have any material impact on the issued share capital of the Group and the earnings and net assets of the Group for financial year ending 31 July 2020 but is expected to contribute positively to the earnings of the Nexgram Group during the tenure of the appointment.

### **6.0 STATEMENT BY DIRECTORS**

The Directors are of the opinion that this Agreement is in the best interest of the Group after considering, amongst others, the potential financial contribution to the earnings of the Group.

## **7.0 APPROVAL REQUIRED**

This Agreement does not require approval from shareholders. The Company is distributing the Diagnostic Kits under the Medical Device (Exemption) Order 2016 by the Medical Device Authority (“MDA”), Ministry of Health, Malaysia.

## **8.0 DIRECTORS AND MAJOR SHAREHOLDERS’ INTEREST**

None of the Directors and/or major shareholders of the Company and/or persons connected to them, has any interest, direct or indirect in this Agreement.

This announcement is dated 27 May 2020.