

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

CONDITIONAL OFFTAKE AND PURCHASE AGREEMENT ENTERED INTO BETWEEN NEXGRAM BIOMEDIC SDN BHD WITH PT MITRA ABADI PROPERTINDO UTAMA FOR DISTRIBUTING PERSONAL PROTECTION EQUIPMENT TO INDONESIA

1.0 INTRODUCTION

The Board of Directors of Nexgram is pleased to announce that Nexgram Biomedic Sdn Bhd. (“NBSB”), a wholly-owned sub-subsidiary of the Company entered into a Conditional Offtake and Purchase Agreement (“**Agreement**”) with PT Mitra Abadi Propertindo Utama (“MAPU”) on 22 July 2020 to sell to MAPU for the latter to promote, market and distribute personal protection equipment (“PPE”) includes gown known as AAMI Isolation Gown and medical glove product known as K-Gloves Nitrile Examination Gloves-powder free in Indonesia, as per the terms and condition of the Agreement.

2.0 INFORMATION ON MAPU AND NBSB

2.1 MAPU

MAPU, a company registered and incorporated in Indonesia having its address at Jl, Jembatan Tiga Raya No.5, 14450, Jakarta Utara, Indonesia.

MAPU is a pan-Indonesia procurement, warehouse, and facility leasing company of medical devices and supplies. MAPU is authorised to promote, market and distribute Detection and Diagnostic Kit and Test Kit and other medical supplies products by various suppliers from China, South Korea, and USA for the market in Indonesia and South East Asia. (hereinafter, the “Products”).

As at 22 July 2020, the shareholders of MAPU are as follows:-

Shareholders	Share Capital (Rp)	Shareholding Percentage (%)
Mr Boyke Gandaria Putra Siahaan	600,000,000.00	60
Mr Zainal Abidin	400,000,000.00	40
Total	1,000,000,000.00	100

The directors of MAPU are as follows:-

- a) Mr Boyke Gandaria Putra Siahaan
- b) Mr Soedjiman

2.2 NBSB

NBSB is a wholly-owned subsidiary of the Company which was incorporated in Malaysia on 2 June 2020 with Registration No. 202001012917(1369237-A), having its business address at SO28-01, Menara 1, KL Eco City, No. 3 Jalan Bangsar, 59200 Kuala Lumpur, Malaysia.

NBSB is engaged in contract manufacturing, and distributing and selling healthcare/medical-related products, personal protection equipment (“PPE”), and medical devices.

As at 22 July 2020, the shareholder of NBSB is as follows:-

Shareholders	Share Capital (RM)	Shareholding Percentage (%)
Nexgram Industries Sdn Bhd	100,000.00	100
Total	100,000.00	100

The directors of NBSB are as follows:-

- a) Dato’ Yek Siew Lee
- b) Haji Mazru Bin Mat Yusof

3.0 SALIENT TERMS OF THE AGREEMENT

3.1 Scope of Agreement

NBSB will sell the Products to MAPU with commencing from November 2020 to October 2021 and MAPU agrees to purchase for the price and quantity as stipulated in the Agreement as follows:-

AAMI Isolation Gown
2,000,000 pieces/ month

K-Gloves Nitrile Examination Gloves-Powder Free
500,000 boxes/ month

3.2 Term

The Agreement shall come into effect upon the date of the Agreement for a term of one (1) year and option of extension term for another twenty-four (24) months subject to the mutual agreement of both parties.

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 2021 but is expected to contribute positively to the earnings of the Nexgram Group during the tenure of the Agreement.

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

The Agreement does not require approval from Nexgram's shareholders or any regulatory authorities.

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 the Agreement.

This announcement is dated 23 July 2020.