

Questions & Answers

NEXGRAM's 15TH ANNUAL GENERAL MEETING (AGM) HELD ON THE 30TH DECEMBER 2019

SUMMARY OF KEY MATTERS

Q1 What is the strategic plan of the Company towards the continuous losses for 3 years and the development cost written off for the year?

A1 The losses was mainly due to the impairment arising from the following:-

- Pre-development cost incurred for Cyberjaya Project;
- Cost related to the project in 2014 is impaired;
- Called off the Putrajaya Project signed in 2014;
- Write off of Selayang Project.

The Company is looking into new opportunities and try to finalise the Cyberjaya Project. Further to the recommencement of the bauxite industry in Johor after ceasing for few years, the Company managed to get two (2) shipments per month which contribute revenue about RM1.0 million per shipment.

The Company is focusing on IT security surveillance and logistics industry, at the same time the Company is still looking to complete the Cyberjaya Project aggressively and there are few new prospects. The Company is looking forward to recover the losses in two (2) years time.

Q2 What are the usage on pre-development cost amounting RM16.7 million which had been written off?

A2 The pre-development cost consists of the initial stage for the project cost, market study and land survey.

Q3 What are the consequences of the legal suits between TC Capital Resources Sdn Bhd ("TC Capital")?

A3 The Company had entered into a settlement agreement with TC Capital and settled the outstanding amount through the proceeds from the disposal of Nexgram Tower.

Q4 What is the status of the letter of demand received from CIMB Islamic Bank Berhad and MBSB Bank Berhad in relation to the disposal of investment property?

A4 The term loan from CIMB Bank ("CIMB") had been restated and CIMB had agreed to withdraw the letter of demand by clearing the accrued outstanding of RM2.3 million by end of this month.

On 23 November 2019, the MBSB Bank facility had been fully redeemed from the proceeds of disposal of Nexgram Tower.

Q5 What is the strategic plan to overcome the losses and future contribution from logistics industry in order to recover the losses?

A5 The existing revenue contribution from ICT and Logistics is 60% and 40% respectively, in financial year 2020, the contribution from both industries shall be 50% each and the Company is looking forward to finalise and materialise the Cyberjaya Project which will improve the Company's financial position substantially.