

Q1. The basis of the issue price of RM90.00 per RCPS.

A1. The Issued price per RCPS of RM90 was derived based on the total consideration of RM22.5 million divided by 250,000 RCPS to be issued.

The number of RCPS to be issued was decided upon by the Parties on a willing buyer and willing seller basis.

Q2. Details/salient terms of the Management Rights of the said Property.

A2. The salient terms of the Conditional Sale and Purchase Agreement (“CSPA”) are as follows:-

1. Agreement for the purchase of Management Rights of the Property

MAGSB as the purchaser (“**Purchaser**”) has agreed to purchase the rights to rent, use, purchase and/or manage that piece of land known as HS(D) 110, PT 445, Bandar Padang Mat Sirat, Daerah Langkawi, Kedah (the “**Land**”) together with the hotel known as Century One Hotel Helang Langkawi situated on the land (“**the Management Rights of the Property**”) free from all encumbrances and with vacant possession at the purchase consideration and upon the terms and conditions stated in the CSPA.

2. Purchase Consideration

The purchase consideration of RM22,500,000.00 for the sale and purchase of the Management Rights of the Property is to be settled and satisfied by MAGSB via the issuance of 250,000 RCPS at an issue price of RM90.00 per RCPS to the Vendor and its subsequent redemption in full.

3. Manner of payment

The purchase consideration shall be settled and satisfied by MAGSB via the issuance of 250,000 RCPS at an issue price of RM90.00 per RCPS within thirty (30) days from the Unconditional Date (as defined below) (“**Issue Date**”) and subsequent redemption of the RCPS in full within three (3) years from the Issue Date (“**Completion Date**”) subject to an automatic extension of time of two (2) months from the expiry of the Completion Date (“**Extended Completion Date**”).

4. Conditions precedent

The sale and purchase of the Management Rights of the Property shall be subject to the following conditions precedent being fulfilled by the parties:

- (i) the Purchaser having obtained the business valuation report on the Management Rights of the Property;

- (ii) the approval of the directors of MAGSB and Nexgram Holdings Berhad, the holding company of MAGSB for the sale and purchase of the Management Rights of the Property;
- (iii) the approval of the directors of the Vendor for the sale and purchase of the Management Rights of the Property.

The parties agree that the above conditions precedent shall be fulfilled within twelve (12) months from the date of the CSPA (“**Consent Period**”) with an automatic extension of time of three (3) months (“**Extended Consent Period**”) or any further extended period to be mutually agreed between parties.

The date of which the relevant parties receive the notification of the fulfilment of the last of the condition precedent by the parties shall be the Unconditional Date.

5. Non-fulfilment of conditions precedent

If the Vendor is unable to fulfill its condition precedent, the Purchaser shall be entitled to elect to terminate the CSPA, by giving a notice of termination.

If any of the conditions precedent is not fulfilled by the Purchaser, the Vendor shall be entitled to elect to terminate the CSPA, by giving a notice of termination and the Purchaser shall pay to the Vendor liquidated ascertained damage (“**LAD**”) of not more than 200% of the Purchase Consideration) as compensation

Upon such termination by either party above, the CSPA shall be rendered null and void and neither party shall have any claim whatsoever against the other arising from the CSPA, save for antecedent breach, if any.

6. Profit Sharing Arrangement

The parties agreed that the monthly net profit generated from the hotel business will be shared as below from the Issue Date until the Completion Date.

Parties	Profit sharing percentage (%)
Vendor	75%
Purchaser	25%

7. Transfer of Management Rights of the said Property

The Vendor and the Purchaser expressly declare and confirm that said the Management Rights to the Property shall not be deemed to be transferred to the Purchaser until the completion of CSPA.

8. Default by the Vendor

If the Purchaser has complied with all the terms and conditions in the CSPA and

the Vendor fails to fulfil its obligations under the CSPA, the Purchaser shall be entitled to terminate the CSPA or seek specific performance against the Vendor and all other remedy available.

9. Default by the Purchaser

If the Vendor has complied with all the terms and conditions in the CSPA and the Purchaser fails to fulfil its obligations under the CSPA, the Vendor shall be entitled to terminate the CSPA or seek specific performance against the Purchaser and all other remedy available.

In the event the Vendor elects to terminate the CSPA, the Purchaser shall pay the Vendor LAD of not more than 200% as compensation.

Q3. Commencement date and expiry date of the Management Rights of the said Property.

A3. The commencement date of the Management Rights is on 10 March 2023, being the date of execution of the CSPA and the expiry date will be the Completion Date or Extended Completion Date.

Q4. Prospect of the business to be acquired and the Property.

A4. The Property is located within close proximity to the Langkawi International Airport which is the only airport in Langkawi and Mahsuri International Exhibition Centre which holds the Langkawi International Maritime and Aerospace (LIMA) Exhibition every 2 years amongst other exhibitions and events.

On 16 January 2023, WINGS had been appointed by Alpine Integrated Solution Sdn Bhd as the official hotel and catering partner for the LIMA Exhibition 2023. As such, WINGS is considered as a hotel with a captive market and MAGSB is desirous of purchasing the management rights to the Property to cater such market as an investment to Nexgram Group.

Q5. Risks of the business to be acquired.

A5. a) Investment risk

The Acquisition is expected to be beneficial to the Group. However, there is no guarantee that the anticipated benefits from the Acquisition will be realised or that the Group will be able to generate sufficient cashflow to offset the costs incurred for the operation of the Property and consequently, may negatively impact the financial position of the Group. Nevertheless, upon completion of the Acquisition, the Board will constantly monitor the progress and performance of the business and to leverage on its management expertise to properly manage the operations of the business. Additionally, the Board will continue to exercise

due care and take appropriate measures such as, to identify and evaluate the risks involved when managing the business of the Group and undertake the appropriate actions to mitigate such risks.

b) **Compulsory acquisition by the Malaysian government**

The Malaysian government has the power to compulsorily acquire any land in Malaysia pursuant to the provisions of applicable legislation including the Land Acquisition Act 1960. In the event of any compulsory acquisition of property in Malaysia, the amount of compensation to be awarded is based on the fair market value of a property and is assessed on the basis prescribed in the Land Acquisition Act 1960 and other relevant laws and regulations. If the land on which the Property is situated is subject to compulsory acquisition by the Malaysian government at a point in time when the market values of the land decreases, it may have an adverse effect on the Group's financial results. Should such circumstances arise, the Group will endeavour to seek a fair compensation from the Malaysian government based on its purchase price.

Q6. The terms of the tenure of the Land; if leasehold, the expiry date of the lease.

A6. The remaining or unexpired sublease rights of 66 years of a piece of freehold land comprising H.S. (D) 110, PT 445, Bandar Padang Mat Sirat, Daerah Langkawi, Kedah measuring approximately 16,900 square meters together with the hotel building known as Century One Helang Hotel Langkawi with 218 guest rooms and all the facilities including all facilities and fittings erected on the land. The expiry of the lease will be in year 2089.

The Land is a freehold land currently registered in the name of Lembaga Pembangunan Langkawi ("LADA").

Q7. Quantification of the value of the business as appraised by Talent League Sdn Bhd. method of valuation and to make the valuation report available for inspection.

A7. The valuation methodology for the business valuation prepared by Talent League Sdn Bhd is based on net present value of future cash flows. The business valuation report is available for inspection at the registered office of the Company at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur. The report is the Board of Directors of MAGSB to range the value of WINGS for internal use purposes.

Q8. The age of the Hotel, number of storeys and description of the facilities.

A8. The Hotel was operating since the year 1991 with 218 guest rooms in 6 storeys building.

Q9. Percentage of occupancy of the Hotel rooms.

A9. Occupancy of the Hotel rooms are 60%.

Q10. Disclosures of Clause 3(a)(III), Clause 3(a)(i) and (ii) of the CSPA referred to in Section 3.1(c) and (d) of the announcement.

A10. Clause 3(a)(i), (ii) and (iii) refers to the conditions precedent in Question 2, Item 4 above.

Q11. Sources of funds to MAGSB and/or Nexgram to fully redeem the RCPS and the breakdown thereof.

A11. The source of funds will be from internally generated fund, financial institution and/or through corporate exercise fund raising.

Q12. Sources of funds to MAGSB and/or Nexgram to finance the liquidated ascertained damages of RM45,000,000.00.

A12. The source of funds will be from internally generated fund, financial institution and/or through corporate exercise fund raising.

Q13. How the actual LAD will be determined?

A13. The acquisition of the Management Rights to the Property is conducted on a willing-buyer willing-seller basis and that the LAD, being 200% of the purchase consideration is the amount requested by the Vendor and mutually agreed to by both parties.

Q14. The maximum amount of LAD in terms of percentage of the purchase consideration.

A14. The maximum amount of LAD payable in the event of the Purchaser's default is RM45,000,000 being 200% of the purchase consideration.