

**NEXGRAM HOLDINGS BERHAD**

(Company No. 660055-H)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 31 JANUARY 2016**

**NEXGRAM HOLDINGS BERHAD**

Company No. 660055-H  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 31 JANUARY 2016**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31 JANUARY 2016 RM	PRECEDING YEAR CORRESPONDING QUARTER 31 JANUARY 2015 RM	CURRENT YEAR TO-DATE 31 JANUARY 2016 RM	PRECEDING YEAR CORRESPONDING PERIOD 31 JANUARY 2015 RM
<b>Revenue</b>		<b>25,177,342</b>	<b>66,791,867</b>	<b>82,952,952</b>	<b>115,995,440</b>
Operating expenses		(24,981,723)	(58,205,259)	(71,124,516)	(97,250,539)
<b>Profit from operations</b>		<b>195,619</b>	<b>8,586,608</b>	<b>11,828,436</b>	<b>18,744,901</b>
Depreciation and amortisation		(2,792,907)	(2,884,498)	(8,297,695)	(7,378,890)
Share of profit/(loss) associate		453,266	31,421	44,257	(93,880)
Finance costs		(1,010,189)	(1,216,248)	(3,001,770)	(3,560,182)
Interest income		38,257	162,863	112,286	232,412
Gain on disposal of subsidiary company		27,253,356	-	27,253,356	-
<b>Profit before taxation</b>		<b>24,137,402</b>	<b>4,680,146</b>	<b>27,938,870</b>	<b>7,944,361</b>
Taxation	B5	(159,026)	(3,155)	(165,100)	(3,155)
<b>Profit for the period</b>		<b>23,978,376</b>	<b>4,676,991</b>	<b>27,773,770</b>	<b>7,941,206</b>
<b>Other comprehensive (loss)/profit, net of tax</b>					
Foreign currency translation		(45,123,756)	3,546,814	(34,112,233)	1,328,748
		<b>(45,123,756)</b>	<b>3,546,814</b>	<b>(34,112,233)</b>	<b>1,328,748</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>(21,145,380)</b>	<b>8,223,805</b>	<b>(6,338,463)</b>	<b>9,269,954</b>
<b>Profit for the period attributable to:</b>					
Equity holders of the Company		24,014,312	3,411,618	27,399,722	4,897,753
Non-controlling interests		(35,936)	1,265,373	374,048	3,043,453
<b>Profit for the period</b>		<b>23,978,376</b>	<b>4,676,991</b>	<b>27,773,770</b>	<b>7,941,206</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		(6,892,921)	6,179,757	4,518,940	6,195,542
Non-controlling interests		(14,252,459)	2,044,048	(10,857,403)	3,074,412
<b>Total comprehensive income for the period</b>		<b>(21,145,380)</b>	<b>8,223,805</b>	<b>(6,338,463)</b>	<b>9,269,954</b>
Earnings per share attributable to equity holders of the Company:-					
- Basic (sen)	B12	1.29	0.23	1.47	0.34
- Diluted (sen)		1.29	0.15	1.47	0.22

(The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 April 2015 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 15)

**NEXGRAM HOLDINGS BERHAD**

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 31 JANUARY 2016**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AT 31 JANUARY 2016 (UNAUDITED) RM	AT 30 APRIL 2015 (AUDITED) RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	20,283,291	18,146,554
Investment properties	79,400,000	79,400,000
Research and development expenditure	1,829,973	2,517,443
Intangible assets	17,518,968	32,796,292
Investment in quoted share	11,848,585	2,935,301
Investment in associate	591,717	547,460
Other investment	18,282,185	15,301,710
Goodwill on consolidation	49,938,072	10,019,264
<b>Total non-current assets</b>	199,692,791	161,664,024
<b>Current assets</b>		
Inventories	93,435,186	89,843,333
Trade and other receivables	101,541,512	80,828,586
Amount due from associate company	99,445	1,049,168
Tax recoverable	31,808	23,265
Fixed deposits with a licensed bank	3,662,171	3,251,078
Cash and bank balances	7,426,640	31,138,506
<b>Total current assets</b>	206,196,762	206,133,936
<b>Total assets</b>	405,889,553	367,797,960
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent:</b>		
Share capital	94,156,725	188,313,449
Share premium	5,460,724	5,720,000
Reserves	72,079,573	4,437,839
Retained earnings	63,357,373	53,602,302
	235,054,395	252,073,590
Non-controlling interests	8,782,039	6,548,402
<b>Total equity</b>	243,836,434	258,621,992
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax	1,665,837	1,933,509
Finance lease payables	2,006,764	1,876,344
Term loans	60,870,343	61,724,224
<b>Total non-current liabilities</b>	64,542,944	65,534,077
<b>Current liabilities</b>		
Trade and other payables	84,769,259	31,947,331
Amount due to director	1,076,668	1,004,091
Finance lease payables	1,411,780	415,886
Term loans	4,160,969	2,672,394
Bank overdraft	2,385,480	3,438,301
Tax payable	3,706,019	4,163,888
<b>Total current liabilities</b>	97,510,175	43,641,891
<b>Total liabilities</b>	162,053,119	109,175,968
<b>Total equity and liabilities</b>	405,889,553	367,797,960
<b>Net assets per share attributable to ordinary equity holders of the Company (sen)</b>	12.48	13.39

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 April 2015 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 15)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

<----- Attributable to owners of the parent ----->

Non-Distributable

Distributable

	Share capital RM	Share premium RM	Warrants reserve RM	Fair value reserve RM	Capital reserve RM	Treasury share RM	Translation reserve RM	Retained earnings RM	Total RM	Non- controlling interests RM	Total equity RM
At 1 May 2015	188,313,449	5,720,000	6,281,395	(330,038)	-	(83,500)	(1,430,018)	53,602,302	252,073,590	6,548,402	258,621,992
Transaction with owners:											
- Par value reduction	(94,156,724)	(259,276)	-	-	94,156,724	-	-	-	(259,276)	-	(259,276)
- Share buy back	-	-	-	-	-	(157,000)	-	-	(157,000)	-	(157,000)
Total transactions with owners	(94,156,724)	(259,276)	-	-	94,156,724	(157,000)	-	-	(416,276)	-	(416,276)
Foreign currency translation	-	-	-	-	-	-	(22,460,705)	(105,745)	(22,566,450)	(10,576,654)	(33,143,104)
Disposal of subsidiary	-	-	-	-	-	-	(3,908,500)	(17,538,906)	(21,447,406)	-	(21,447,406)
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	1,230,949	1,230,949
Reversal of fair value loss	-	-	-	11,215	-	-	-	11,215	11,205,294	11,216,509	11,216,509
Profit for the financial period	-	-	-	-	-	-	-	27,399,722	27,399,722	374,048	27,773,770
Total comprehensive income for the financial period	-	-	-	11,215	-	-	(26,369,205)	9,755,071	(16,602,919)	2,233,637	(14,369,282)
At 31 January 2016	<u>94,156,725</u>	<u>5,460,724</u>	<u>6,281,395</u>	<u>(318,823)</u>	<u>94,156,724</u>	<u>(240,500)</u>	<u>(27,799,223)</u>	<u>63,357,373</u>	<u>235,054,395</u>	<u>8,782,039</u>	<u>243,836,434</u>
At 1 May 2014	169,246,782	-	6,281,395	312,738	-	-	(959,411)	46,658,301	221,539,805	(2,066,265)	219,473,540
Transaction with owners:											
- Issue of ordinary shares	19,066,667	9,533,333	-	-	-	-	-	-	28,600,000	-	28,600,000
- Capital reserve	-	-	-	-	200,000	-	-	-	200,000	-	200,000
- Share buy back	-	-	-	-	-	(48,000)	-	-	(48,000)	-	(48,000)
Total transactions with owners	19,066,667	9,533,333	-	-	200,000	(48,000)	-	-	28,752,000	-	28,752,000
Foreign currency translation	-	-	-	-	-	-	760,413	-	760,413	459,489	1,219,902
Profit for the financial period	-	-	-	-	-	-	-	4,897,753	4,897,753	3,043,453	7,941,206
Total comprehensive income for the financial period	-	-	-	-	-	-	760,413	4,897,753	5,658,166	3,502,942	9,161,108
At 31 January 2015	<u>188,313,449</u>	<u>9,533,333</u>	<u>6,281,395</u>	<u>312,738</u>	<u>200,000</u>	<u>(48,000)</u>	<u>(198,998)</u>	<u>51,556,054</u>	<u>255,949,971</u>	<u>1,436,677</u>	<u>257,386,648</u>

(The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 April 2015 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 15)

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

	<b>CUMULATIVE QUARTER</b>	
	<b>CURRENT YEAR TO-DATE 31 JANUARY 2016</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31 JANUARY 2015</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	27,938,870	7,944,361
Adjustments for non-cash flow:		
Non-cash items	(7,452,875)	7,394,726
Finance costs	3,001,770	3,560,182
Interest income	(112,286)	(232,412)
Operating profit before working capital changes	<u>23,375,479</u>	<u>18,666,857</u>
Changes in working capital:		
Net changes in pre-development cost	-	(21,260,100)
Net change in current assets	(84,789,040)	(21,936,938)
Net change in current liabilities	50,482,564	8,651,854
Cash generated from operations	<u>(10,930,997)</u>	<u>(15,878,327)</u>
Interest paid	(3,001,770)	(3,560,182)
Income tax paid	(117,308)	(105,902)
<b>Net cash from operating activities</b>	<u>(14,050,075)</u>	<u>(19,544,411)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,836,081)	(554,321)
Purchase of quoted investment	(8,204,765)	-
Purchase of unquoted investment	(1,092,420)	-
Purchase of intangible assets	-	(19,753,444)
Proceeds from disposal of intangible asset	-	1,169,013
Proceeds from disposal of other investment	-	16,304,700
Proceeds from disposal of property, plant and equipment	89,000	-
Asset held for sale - disposed	-	1,661,720
<b>Net cash used in investing activities</b>	<u>(11,044,266)</u>	<u>(1,172,332)</u>
<b>Cash flows from financing activities</b>		
Issuance of share	(416,276)	-
Interest received	112,286	232,412
Payment for share buy back	-	(48,000)
Drawdown of finance lease payables	1,095,887	420,000
Repayment of finance lease payables	(415,914)	(223,268)
Placement of fixed deposit	(103,031)	-
Repayment of term loans	(908,159)	(3,548,630)
<b>Net cash from financing activities</b>	<u>(635,207)</u>	<u>(3,167,486)</u>
<b>Net increase in cash and cash equivalents</b>	<u>(25,729,548)</u>	<u>(23,884,229)</u>
<b>Cash and cash equivalents at 1 May</b>	27,700,205	84,110,197
<b>Translation differences</b>	3,070,503	4,402,023
<b>Cash and cash equivalents at end of period</b>	<u><u>5,041,160</u></u>	<u><u>64,627,991</u></u>
<b>Cash and cash equivalents comprise of :-</b>		
Cash and bank balances	7,426,640	66,759,795
Bank overdraft	(2,385,480)	(2,131,804)
	<u><u>5,041,160</u></u>	<u><u>64,627,991</u></u>

(The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 30 April 2015 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 15)

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**NOTES TO THE INTERIM FINANCIAL REPORT**

**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134 “Interim Financial Reporting” and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the latest audited financial statements of Nexgram Holdings Berhad (“Nexgram” or the “Company”) and its subsidiaries (“Group”) for the financial year ended 30 April 2015.

The accounting policies adopted by the Group in this interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 April 2015.

**A2. Qualification of financial statements**

There was no audit qualification reported in the audited financial statements of the Group for the financial year ended 30 April 2015.

**A3. Seasonal or cyclical factors**

The results of the Group were not materially affected by any significant seasonal or cyclical factors during the current quarter under review.

**A4. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

**A5. Material changes in estimates**

There were no changes in the nature and amount of estimates reported in prior financial years that have a material effect in the current quarter under review.

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There were no issuance, repurchase, cancellation, resale, and repayment of debt and equity securities of the Company from the last financial year ended 30 April 2015 to current quarter under review except for the following:-

- (a) On 22 September 2015, the Company proposed reduction of the existing issued and paid-up share capital of the Company involving cancellation of RM0.05 from the par value of every existing ordinary share of RM0.10 each.

On 4 January 2016, the court order has been lodged with the Registrar of Companies and the proposed par value reduction has become effective on 7 January 2016.

- (b) On 29 September 2015, the Company proposed renewal of authority for share buy-back of up to 10% of the issued and paid up share capital.

**A7. Dividend paid**

There was no dividend paid during the current quarter under review.

**A8. Segmental information**

The segmental analysis of revenue and profit before taxation of the Group for the financial period ended 31 January 2016 is tabulated below:

Segment	ICT		Property Investment RM	Elimination RM	Total RM
	Malaysia RM	Other Countries RM			
Revenue	66,399,353	14,379,283	3,077,095	(902,779)	82,952,952
Profit/(loss) before taxation	98,165,656	(109,598,850)	39,372,064	-	27,938,870

**A9. Valuation of property, plant and equipment**

The Group did not revalue any of its property, plant and equipment during the current quarter under review.

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### **UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 JANUARY 2016**

#### **A10. Valuation of investment properties**

The Group did not revalue any of its investment properties during the current quarter under review.

#### **A11. Material events subsequent to the end of the quarter**

As at the date of the report, being the latest practicable date of this Report, there is no material events subsequent to the quarter ended 31 January 2016.

#### **A12. Changes in composition of the Group**

Other than as disclosed below, there were no changes in the composition of the Group during the financial period ended 31 January 2016.

##### **a) Disposal of 100% equity interest in Nexgram Resources Sdn Bhd (“NRSB”)**

On 6 January 2016, the company entered into a Conditional Sale and Purchase Agreement to dispose 100% equity interest, representing 500,000 ordinary shares of RM0.01 each in NRSB to Circle Moon Capital Inc (“CM”) for a total consideration of RM10,000.

##### **b) Disposal of 100% equity interest in Nextnation Collection Sdn. Bhd. (“NCSB”)**

On 6 January 2016, a wholly-owned subsidiary, Nextnation Network Sdn Bhd (“NNSB”) entered into a Conditional Sale and Purchase Agreement to dispose 100% equity interest, representing 1,000 ordinary shares of RM1.00 each in NCSB to CM for a total consideration of RM1,000.

##### **c) Disposal of 100% equity interest in Pudong Oversea Capital Sdn. Bhd. (“POCSB”)**

On 6 January 2016, an indirect wholly-owned subsidiary, Taffu Media Sdn Bhd entered into a Conditional Sale and Purchase Agreement to dispose 100% equity interest, representing 100,000 ordinary shares of RM1.00 each in POCSB to CM for a total consideration of RM1,000.

##### **d) Disposal of 69.6% equity interest in Godynamic Investment Limited (“GIL”)**

On 7 January 2016, NNSB entered into a Conditional Sale and Purchase Agreement to dispose entire 69.6% equity interest, representing 696,000 ordinary shares of USD0.0001 in GIL to Vast Wealth Management Corp. for a total consideration of RM34,800,000.



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**A12. Changes in composition of the Group (cont'd)**

**e) Acquisition of 51% equity interest in Transeaways Shipping Sdn. Bhd. ("TSSB")**

On 13 January 2016, the Company entered into a Conditional Share Sale Agreement ("SSA") to acquire 51,000 ordinary shares of RM1 each in TSSB with Hopscotch Invest & Trade Inc. for a total consideration of RM41,200,000.

On 23 February 2016, the Company announced that the SSA entered between the Company and Hopscotch Invest & Trade Inc. is completed.

**A13. Contingent assets or liabilities**

Save as disclosed below, the Company does not have any contingent assets or liabilities as at the date of the report.

	RM
<u>Contingent liability :</u>	
Corporate guarantee granted to subsidiary companies	<u>66,742,679</u>

**A14. Capital commitments**

Capital expenditure not provided in the financial statements are as follow:-

	RM
Authorised and contracted for:	
- Property, plant and equipment	<u>7,373,480</u>

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**ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING  
REQUIREMENTS OF BURSA SECURITIES**

**B1. Review of performance**

**(a) Performance of the current quarter against the preceding quarter**

For the current quarter ended 31 January 2016, the Group recorded revenue of RM25.2 million as compared to RM31.0 million recorded in the previous quarter ended 31 October 2015. The Group's revenue decreased by 18.7% mainly due to lower revenue contribution from subsidiary involves in IT and a subsidiary involves in dealing with a wide-ranging choice of security and video surveillance equipments for the period under review.

The Group recorded a profit before taxation of RM24.1 million for the current quarter ended 31 January 2016 as compared to profit before taxation of RM4.2 million recorded in the previous quarter ended 31 October 2015. The significant increase in profit before taxation recorded was mainly due to a net effect of the disposal of subsidiaries which resulted in a gain on disposal of RM27.3 million during the current period under review. However, for the current quarter, the group's ordinary business recorded a loss of RM3.1 million mainly due to lower revenue from subsidiaries mentioned above.

**(b) Performance of the financial year-to-date against preceding year corresponding period**

The Group recorded revenue of RM83.0 million in the current 9-months financial period ended 31 January 2016 as compared to RM116.0 million reported in the previous year corresponding period. The Group's revenue decreased by 28.4% mainly due to lower revenue from a subsidiary involves in IT and a subsidiary involves in dealing with a wide-ranging choice of security and video surveillance equipments.

The Group recorded a profit before taxation of RM27.9 million in the current 9-months financial period ended 31 January 2016 as compared to profit before taxation of RM7.9 million reported in the previous year corresponding period. The significant increase of 253.2% in profit before taxation recorded was mainly due to a net effect of RM27.3 million from the disposal of subsidiaries during the current period under review.

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#### **B1. Review of performance (cont'd)**

##### **(c) Performance of the current quarter/ period against the preceding year corresponding quarter/ period**

The Group recorded revenue of RM25.2 million in the current 3-months financial period ended 31 January 2016 as compared to RM66.8 million reported in the previous year corresponding period. The Group's revenue significantly decreased by 62.3% mainly due to a reduction in revenue from a subsidiary involves in IT and a subsidiary involves in dealing with a wide-ranging choice of security and video surveillance equipments.

The Group recorded a profit before taxation of RM24.1 million for the current 3-months financial period ended 31 January 2016 as compared to a profit before taxation of RM4.7 million reported in the previous year corresponding period. The significant increase of 412.8% in profit before taxation recorded was mainly due to a net effect of RM27.3 million from the disposal of subsidiaries during the current period under review.

#### **B2. Current year's prospect**

In view of the uncertainties and challenges ahead, the Group is expected to continue and focus on the development and future growth of its existing businesses. Moving forward, the Board remains cautiously optimistic that the Group will be able to achieve satisfactory performance for the financial year 2016.

The Group has also diversified and ventured into property development sector through Nexgram Land Sdn. Bhd., a wholly-owned subsidiary of Nexgram Holdings Bhd, which has entered into an Off Take Agreement cum Sales and Purchase Agreement with Myangkasa Bina Sdn. Bhd., which its ultimately 100% owned by Angkatan Koperasi Kebangsaan Malaysia Bhd..

The property development project is to develop parcel of lands in Putrajaya and Cyberjaya which involves a residential development of two (2) block 35-storey on a 5.3 acres commercial land and a mixed commercial development comprised of corporate office building, small office home office ("SOHO"), commercial retail shop and high-end suites apartment on a 5.9 acres commercial land respectively. The Development Order has been obtained for the Cyberjaya project. The total Gross Development Value for both project is estimated RM1.45 billion.

The expected full completion date of the both project will be in the year of 2020.

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As part of on-going business rationalization, the company has disposed off subsidiaries which are dormant and had contributed losses to the Group for the past years.

Furthermore, as a continuation Group's long term growth strategy of venturing into other sectors beyond its ICT and property-based businesses, on 13 January 2016, the company had acquired 51,000 ordinary shares of RM1 each in Transeaways Shipping Sdn. Bhd. ("TSSB") from Hopscotch Invest & Trade Inc. for a total consideration of RM41,200,000. TSSB is principally engages as a shipping agent. TSSB was established to provide total logistic solutions to all importers and exporters in Kuantan and east coast of peninsular Malaysia.

The acquisition would provide a new source of recurring income to the Group as well as diversify the earnings base of the Group which is currently derived from ICT and property-based businesses.

The transaction was completed on 23 February 2016.

**B3. Variance of actual profit from forecast profit**

The Group has not published or issued any profit forecast for the current period and financial year as at the date of the report.

**B4. Profit before tax is stated after charging/ (crediting):**

	<b>Quarter ended 31.1.2016 RM</b>	<b>Year to date 31.1.2016 RM</b>
Amortisation of development expenditure	229,157	458,313
Amortisation of intangible assets	1,929,363	5,788,089
Depreciation of property, plant and equipment	634,388	1,822,136
Gain on disposal of asset held for sale	-	-
Gain on disposal of property, plant equipment	(89,000)	(89,000)
Gain or loss on derivatives	-	-
Impairment of assets	-	-
Interest expense	1,010,189	3,001,770
Interest income	(38,257)	(112,286)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Realised loss on foreign exchange	(25,027,329)	(24,667,149)

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	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to-date	Preceding year corresponding period
	31.1.2016 RM	31.1.2015 RM	31.1.2016 RM	31.1.2015 RM
Current period's provision	-	-	(6,287)	-
Under provision	(159,026)	(3,155)	(158,813)	(3,155)
<b>Total</b>	<b>(159,026)</b>	<b>(3,155)</b>	<b>(165,100)</b>	<b>(3,155)</b>

**B6. Status of corporate proposals and utilisation of proceeds**

As at the date of the report, being the latest practicable date of this Report, there were no other corporate proposals announced by the Company and completion except below.

- a) Conditional takeover offer to acquire the entire equity interest and all outstanding convertible securities in Ire-Tex Corporation Berhad.

On 20 November 2015, the company proposed to undertake a conditional take-over offer to acquire all the:-

- i. Ordinary shares of RM0.40 each in Ire-Tex and such number of new Ire-Tex Shares that may be issued pursuant to the exercise of any outstanding five (5)-year warrants 2014/2019 issued by Ire-Tex or conversion of any outstanding 1% five (5)-year irredeemable convertible unsecured loan stocks 2014/2019 of nominal value of RM0.075 each issued by Ire-Tex;
- ii. All the outstanding Ire-Tex warrants;
- iii. All the outstanding Ire-Tex ICULS,

via equity swap based on the offer prices of RM0.40 per Offer Share RM0.01 per Offer Warrant and RM0.05 per Offer ICULS.

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The Offer Prices shall be satisfied through the issuance of new ordinary shares in Nexgram with current par value of RM0.10 each (or RM0.05 each after the implementation of the par value reduction currently undertaken by the Company involving the cancellation of RM0.05 from the par value of every existing ordinary share of RM0.10 each in Nexgram pursuant to the Companies Act, 1965 as announced by Nexgram on 22 September 2015 and approved by shareholders on 27 October 2015) at an issue price of RM0.10 each, where each holder of the Offer Securities who accepts the Offer shall receive:-

- i. four (4) Consideration Shares for every one (1) Offer Share surrendered;
- ii. one (1) Consideration Share for every ten (10) Offer Warrants surrendered;
- iii. one (1) Consideration Share for every two (2) Offer ICULS surrendered.

On 21 January 2016, the company had applied for the written consent of SC to withdraw the Offer. SC had on even date approved the application of the withdrawal of the Offer, the Offer has ceased and all acceptances received pursuant to the Offer shall be returned to the Accepting Holders.

**B7. Borrowings and debt securities**

Save as disclosed below, the Group does not have any loan outstanding or created, convertible debt securities, mortgages or charges outstanding as at 31 January 2016.

<b>Secured borrowings</b>	<b>Payable within 12 months</b>	<b>Payable after 12 months</b>
Denominated in: Malaysian Ringgit	5,572,749	62,877,107

The above borrowings are in the Malaysian currencies. There has been no default on payment of either interest and/or principal sum, in respect of the abovementioned borrowings throughout the past one (1) financial year.

**B8. Off balance sheet financial instruments**

The Group does not have any off balance sheet financial instruments as at the date of the report.

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	As at 31.1.2016 RM	As at 31.1.2015 RM
Total accumulated profits of the Company and its subsidiary companies:		
- Realised	10,122,028	(27,930,761)
- Unrealised	(2,222,115)	11,777,283
	7,899,913	(16,153,478)
Total share of accumulated (profits)/ losses from the associate company:		
- Realised	44,257	605,839
	7,944,170	(15,547,639)
Less: Consolidation adjustments	55,413,203	67,103,693
Total retained earnings as per Consolidated Statements of Financial Position	<u>63,357,373</u>	<u>51,556,054</u>

**B10. Material litigation**

There is no material litigation as at the date of the report.

**B11. Dividend**

There is no dividend declared for the current quarter under review.

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Basic earnings per shares is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	<b>Current Quarter</b>	<b>Current Year to date</b>
Profit attributable to ordinary equity holders of the Company (RM)	24,014,312	27,399,722
Weighted average number of shares	1,865,896,124	1,865,896,124
Basic earnings per shares (sen)	1.29	1.47

(b) Diluted

Diluted earnings per shares is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue and issuable during the period.

	<b>Current Quarter</b>	<b>Current Year to date</b>
Profit attributable to ordinary equity holders of the Company (RM)	24,014,312	27,399,722
Weighted average number of shares	1,865,896,124	1,865,896,124
Effects of dilution in outstanding warrants	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	1,865,894,124	1,865,896,124
Diluted earnings per shares (sen)	1.29	1.47