

**NEXGRAM HOLDINGS BERHAD**  
(Company No. 660055-H)  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED 31 OCTOBER 2020**

NEXGRAM HOLDINGS BERHAD

Company No. 660055-H  
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER  
ENDED 31 OCTOBER 2020

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31 OCTOBER 2020 RM	PRECEDING YEAR CORRESPONDING QUARTER 31 OCTOBER 2019 RM	CURRENT YEAR TO-DATE 31 OCTOBER 2020 RM	PRECEDING YEAR CORRESPONDING PERIOD 31 OCTOBER 2019 RM
Revenue		12,945,612	12,003,337	12,945,612	12,003,337
Operating expenses		(15,213,093)	(10,667,437)	(15,213,093)	(10,667,437)
<b>(Loss)/profit from operations</b>		<b>(2,267,481)</b>	<b>1,335,900</b>	<b>(2,267,481)</b>	<b>1,335,900</b>
Depreciation		(280,037)	(176,800)	(280,037)	(176,800)
Share of profit from an associate		402,483	139,616	402,483	139,616
Finance costs		(748,254)	(934,121)	(748,254)	(934,121)
Interest income		54,956	112,270	54,956	112,270
<b>(Loss)/profit before taxation</b>		<b>(2,838,332)</b>	<b>476,865</b>	<b>(2,838,332)</b>	<b>476,865</b>
Taxation	B5	24,640	23,490	24,640	23,490
<b>(Loss)/profit for the period</b>		<b>(2,813,692)</b>	<b>500,355</b>	<b>(2,813,692)</b>	<b>500,355</b>
<b>Other comprehensive loss, net of tax</b>					
Foreign currency translation		(1,810,637)	(19,266)	(1,810,637)	(19,266)
<b>Total comprehensive (loss)/profit for the period, net of tax</b>		<b>(4,624,329)</b>	<b>481,089</b>	<b>(4,624,329)</b>	<b>481,089</b>
<b>(Loss)/profit for the period attributable to:</b>					
Equity holders of the Company		(2,664,898)	67,185	(2,664,898)	67,185
Non-controlling interests		(148,794)	433,170	(148,794)	433,170
<b>(Loss)/profit for the period</b>		<b>(2,813,692)</b>	<b>500,355</b>	<b>(2,813,692)</b>	<b>500,355</b>
<b>Total comprehensive (loss)/profit attributable to:</b>					
Equity holders of the Company		(4,475,535)	47,919	(4,475,535)	47,919
Non-controlling interests		(148,794)	433,170	(148,794)	433,170
<b>Total comprehensive (loss)/profit for the period</b>		<b>(4,624,329)</b>	<b>481,089</b>	<b>(4,624,329)</b>	<b>481,089</b>
Earnings per share attributable to equity holders of the Company:-					
- Basic (sen)	B12	(0.12)	0.00	(0.12)	0.00
- Diluted (sen)		-	-	-	-

(The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 July 2020 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 24)

**NEXGRAM HOLDINGS BERHAD**

Company No. 660055-H  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER  
ENDED 31 OCTOBER 2020**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AT 31 OCTOBER 2020 (UNAUDITED) RM	AT 31 JULY 2020 (AUDITED) RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	23,142,532	2,291,296
Investment properties	10,100,000	10,100,000
Intangible assets	135,836	-
Goodwill on consolidation	41,633,949	33,730,734
Investment in associate	1,537,772	1,135,289
Investment in quoted shares	6,114,856	6,240,624
Right of use asset	4,041,507	4,075,229
Inventories	22,614,225	22,614,225
Total non-current assets	<u>109,320,677</u>	<u>80,187,397</u>
<b>Current assets</b>		
Inventories	36,708,948	3,548,417
Receivables	47,446,780	25,042,418
Tax recoverable	594,228	233,816
Amount owing by an associate	400,204	359,272
Fixed deposits with licensed banks	19,155,494	13,468,811
Cash and bank balances	9,179,945	8,701,948
Total current assets	<u>113,485,599</u>	<u>51,354,682</u>
<b>Total assets</b>	<u>222,806,276</u>	<u>131,542,079</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent:</b>		
Share capital	212,519,923	206,519,923
Reserves	37,252,374	20,929,584
Accumulated losses	(140,893,108)	(138,228,210)
Shareholders' funds	<u>108,879,189</u>	<u>89,221,297</u>
Non controlling interests	12,868,363	6,768,058
<b>Total equity</b>	<u>121,747,552</u>	<u>95,989,355</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	15,877,444	9,929,688
Lease liability payable	316,980	338,747
Deferred tax liabilities	1,003,222	358,272
Total non-current liabilities	<u>17,197,646</u>	<u>10,626,707</u>
<b>Current liabilities</b>		
Payables	23,691,292	19,507,036
Amount owing to directors	7,670,122	2,487,463
Loans and borrowings	52,232,951	2,649,713
Lease liability payable	135,635	135,635
Tax payables	131,078	146,170
Total current liabilities	<u>83,861,078</u>	<u>24,926,017</u>
<b>Total liabilities</b>	<u>101,058,724</u>	<u>35,552,724</u>
<b>Total equity and liabilities</b>	<u>222,806,276</u>	<u>131,542,079</u>
<b>Net assets per share attributable to ordinary equity holders of the Company (sen)</b>	<u>4.882</u>	<u>4.280</u>

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 July 2020 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 24)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER  
ENDED 31 OCTOBER 2020

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

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

	Non-Distributable								Distributable		Total equity RM	
	Share capital RM	Warrants reserve RM	Fair value reserve RM	Revaluation reserve RM	Treasury share RM	Translation reserve RM	Irredeemable Convertible Preference Share RM	Redeemable Convertible Preference Share RM	Accumulated loss RM	Total RM		Non-controlling interests RM
At 1 August 2020	206,519,923	6,281,395	(3,944,998)	558,701	(245,000)	(4,315,179)	20,554,665	2,040,000	(138,228,210)	89,221,297	6,768,058	95,989,355
Transaction with owners:												
- Conversion of ICPS	6,000,000	-	-	-	-	-	(3,000,000)	-	-	3,000,000	-	3,000,000
- Issuance of RCPS	-	-	-	-	-	-	-	19,500,000	-	19,500,000	-	19,500,000
- Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	6,249,099	6,249,099
- Foreign currency translation	-	-	-	-	-	(177,210)	-	-	-	(177,210)	-	(177,210)
Total transactions with owners	6,000,000	-	-	-	-	(177,210)	(3,000,000)	19,500,000	-	22,322,790	6,249,099	28,571,889
Loss for the financial period	-	-	-	-	-	-	-	-	(2,664,898)	(2,664,898)	(148,794)	(2,813,692)
Other comprehensive loss for the period	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the financial period	-	-	-	-	-	-	-	-	(2,664,898)	(2,664,898)	(148,794)	(2,813,692)
At 31 October 2020	<u>212,519,923</u>	<u>6,281,395</u>	<u>(3,944,998)</u>	<u>558,701</u>	<u>(245,000)</u>	<u>(4,492,389)</u>	<u>17,554,665</u>	<u>21,540,000</u>	<u>(140,893,108)</u>	<u>108,879,189</u>	<u>12,868,363</u>	<u>121,747,552</u>
At 1 August 2019	200,719,923	6,281,395	(1,024,008)	583,543	(245,000)	(4,741,215)	-	-	(76,360,757)	125,213,881	7,556,828	132,770,709
Adjustment on initial application of MRFS 16, net of tax	-	-	-	-	-	-	-	-	(907)	(907)	-	(907)
At 1 August 2019, restated	200,719,923	6,281,395	(1,024,008)	583,543	(245,000)	(4,741,215)	-	-	(76,361,664)	125,212,974	7,556,828	132,769,802
Transaction with owners:												
- Issuance of ICPS	-	-	-	-	-	-	23,454,665	-	-	23,454,665	-	23,454,665
- Conversion of ICPS	5,800,000	-	-	-	-	-	(2,900,000)	-	-	2,900,000	-	2,900,000
- Issuance of RCPS	-	-	-	-	-	-	-	2,040,000	-	2,040,000	-	2,040,000
- Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	173,377	173,377
- Realisation of revaluation	-	-	-	(24,842)	-	-	-	-	24,842	-	-	-
Total transactions with owners	5,800,000	-	-	(24,842)	-	-	20,554,665	2,040,000	24,842	28,394,665	173,377	28,568,042
Loss for the financial year	-	-	-	-	-	-	-	-	(61,891,388)	(61,891,388)	(962,147)	(62,853,535)
Other comprehensive (loss)/income for the year	-	-	(2,920,990)	-	-	426,036	-	-	-	(2,494,954)	-	(2,494,954)
Total comprehensive loss for the financial year	-	-	(2,920,990)	-	-	426,036	-	-	(61,891,388)	(64,386,342)	(962,147)	(65,348,489)
At 31 July 2020	<u>206,519,923</u>	<u>6,281,395</u>	<u>(3,944,998)</u>	<u>558,701</u>	<u>(245,000)</u>	<u>(4,315,179)</u>	<u>20,554,665</u>	<u>2,040,000</u>	<u>(138,228,210)</u>	<u>89,221,297</u>	<u>6,768,058</u>	<u>95,989,355</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 31 July 2020 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 24)

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

	<b>CUMULATIVE QUARTER</b>	
	<b>CURRENT YEAR TO-DATE 31 OCTOBER 2020</b>	<b>PRECEDING YEAR TO-DATE 31 OCTOBER 2019</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from operating activities</b>		
(Loss)/profit before taxation	(2,838,332)	476,865
Adjustments for non-cash flow:		
Non-cash items	(189,948)	(121,464)
Finance costs	748,254	934,121
Interest income	(54,956)	(112,270)
Operating (loss)/profit before working capital changes	<u>(2,334,982)</u>	<u>1,177,252</u>
Changes in working capital:		
Net change in current assets	2,331,792	420,399
Net change in current liabilities	272,941	(315,596)
Cash (used in)/generated from operations	<u>269,750</u>	<u>1,282,055</u>
Interest paid	(748,254)	(934,121)
Tax paid	(69,624)	(99,999)
Tax refund	-	257,188
<b>Net cash (used in)/generated from operating activities</b>	<u>(548,128)</u>	<u>505,123</u>
<b>Cash flows from investing activities</b>		
Acquisition of intangible assets	(140,973)	-
Acquisition of subsidiaries, net of cash acquired	(6,716,331)	-
Purchase of property, plant and equipment	(171,812)	(53,952)
Dividend received	152,967	160,162
Interest received	54,956	112,270
Placement of fixed deposits	(364,146)	(708,835)
<b>Net cash generated from/(used in) investing activities</b>	<u>(7,185,339)</u>	<u>(490,355)</u>
<b>Cash flows from financing activities</b>		
Conversion of irredeemable convertible preference share	3,000,000	-
Repayment to directors	(528,032)	(151,585)
Payment of lease liabilities	(21,767)	-
Repayment of hire purchase creditors	(62,991)	(141,750)
Repayment of borrowings	(155,507)	136,983
Repayment of term loans	(95,581)	(158,560)
<b>Net cash (used in)/generated from in financing activities</b>	<u>2,136,122</u>	<u>(314,912)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(5,597,345)</u>	<u>(300,144)</u>
<b>Cash and cash equivalents at 1 Aug</b>	7,803,637	4,267,165
<b>Translation differences</b>	-	-
<b>Cash and cash equivalents at end of period</b>	<u>2,206,292</u>	<u>3,967,021</u>
<b>Cash and cash equivalents comprise of :-</b>		
Cash and bank balances	9,179,945	5,170,499
Bank overdraft	(6,973,653)	(1,203,478)
	<u>2,206,292</u>	<u>3,967,021</u>

(The Unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 July 2020 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 24)

# NEXGRAM HOLDINGS BERHAD

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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2020

### 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 31 July 2020.

The accounting policies adopted by the Group in these interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 July 2020.

At the beginning of the current financial year, the Group and the Company adopted MFRSs and amendments to MFRSs which are mandatory for the financial periods beginning on or after 1 August 2020.

##### **Standards issued but not yet effective**

The Group and the Company has not applied the following MFRSs that have been issued by the Malaysian Accounting Standard Board (“MASB”) but are not yet effective for the Group and the Company:

##### **MFRSs effective for annual periods beginning on or after 1 August 2021**

- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards, MFRS 9, Financial Instruments, Illustrative Examples accompanying MFRS 16, Leases and MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018 – 2020 cycle)

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**A1. Basis of preparation (cont'd)**

**MFRSs effective for annual period beginning on or after 1 August 2022**

- MFRS 17, Insurance Contracts
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations from the annual period beginning on 1 August 2020 for the accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2020.

The Group and the Company do not plan to apply MFRS 17, Insurance Contracts that is effective for annual period beginning on 1 August 2023 as it is not applicable to the Group and the Company.

The initial application for the accounting standards, amendments or interpretations are not expected to have any material financial impact to the current period or prior period financial statements of the Group and of the Company.

**A2. Qualification of financial statements**

There was no audit qualification reported in the audited financial statements of the Group for the financial year ended 31 July 2020.

**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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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER  
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There were no issuance, repurchase, cancellation, resale, and repayment of debt and equity securities of the Company for the current quarter under review except following:

On 1 November 2019, the Company undertake a settlement debt owing to a director, Tuan Haji Mazru bin Mat Yusof (“Tuan Haji Mazru”), as well as selected creditors, Ozura Firstlogix Sdn. Bhd. (“Ozura”) and Capital Day Holdings Sdn. Bhd. (“Capital”). Total debts amounting to RM23,454,665/- will be settled through the issuance of 2,345,466,465 Irredeemable Convertible Preference Share (“ICPS”) at an issue price of

RM0.01 each pursuant to 3 separate settlement agreements on 30 August 2019 (“Settlement Agreements”) in the following manner:-

<b>Director/Creditor</b>	<b>Debt owed by the Group (RM)</b>	<b>No. of ICPS to be issued</b>
Tuan Haji Mazru	10,110,871	1,011,087,071
Ozura	12,543,794	1,254,379,394
Capital	800,000	80,000,000
<b>Total</b>	<b>23,454,665</b>	<b>2,345,466,465</b>

**Salient term of the ICPS**

The ICPS are convertible into new Conversion Shares with the following conversion modes:-

- i. 2 ICPS for every 1 Conversion Share (“Conversion Mode 1); or
- ii. 1 ICPS together with the payment of RM0.01 for every 1 Conversion Share (Conversion Mode 2)

Under Conversion Mode 1, a total of 1,172,733,232 Conversion Shares may be issued upon full conversion of the ICPS. Under Conversion Mode 2, a total of 2,345,466,465 Conversion Shares may be issued upon full conversion of the ICPS.

On 6 December 2019, all the conditions precedent in relation to the debt settlement have been fulfilled and the debt settlement was completed by allotment and issuance of ICPS to the director and selected creditors.



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**A6. Debts and equity securities (cont'd)**

As at today, the balance for ICPS are as follows:-

Director/Creditor	No. of ICPS	No. of ICPS has been converted	Balance of ICPS
Tuan Haji Mazru	1,011,087,071		1,011,087,071
Ozura	1,254,379,394		664,379,394
Conversion			
- 13 July 2020		(140,000,000)	
- 17 July 2020		(150,000,000)	
- 17 August 2020		(300,000,000)	
Capital	80,000,000		80,000,000
<b>Total</b>	<b>2,345,466,465</b>	<b>(590,000,000)</b>	<b>1,755,466,465</b>

**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 October 2020 is tabulated below:

Segment	Investment holding company RM	ICT Malaysia RM	ICT Oversea RM	Property Investment RM	Logistics RM	Healthcare RM	Elimination RM	Total RM
Revenue	150,000	5,946,660	-	7,088	1,862,490	5,136,582	(157,208)	12,945,612
(Loss)/profit before taxation	(283,374)	(449,232)	151,126	(832,188)	(345,605)	(1,079,059)	-	(2,838,332)

**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 FIRST QUARTER ENDED 31 OCTOBER 2020

### 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 October 2020.

### A12. Changes in composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 October 2020 except followings:

#### a) Acquisition of 65% equity interest in Arita Holdings Sdn. Bhd. (“AHSB”)

On 13 October 2020, NMED Industries Sdn Bhd. (“NMEDI”), a wholly-owned subsidiary of the Company entered into a Share Sale Agreement (“SSA”) to acquire 65% equity interest AHSB for a total consideration of RM19,500,000.00 via issuance of Redeemable Convertible Preference Shares in NMEDI.

#### b) Incorporation of subsidiaries

##### (i) Incorporation of two wholly-owned subsidiaries, NMED Bioscience Sdn. Bhd. (“NMEDBS”) and NMED Life Science Sdn. Bhd. (“NMEDLS”)

On 5 August 2020, Nexgram Biomedic Sdn. Bhd. (“NBSB”), a wholly-owned subsidiary of the Company incorporated two wholly-owned subsidiaries, NMEDBS and NMEDLS by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest each in NMEDBS and NMEDLS for a total purchase consideration of RM100,000/- respectively.

##### (ii) Incorporation of a wholly-owned subsidiary, Vaccine Lab Sdn. Bhd. (“VLSB”)

On 7 August 2020, NBSB incorporated a wholly-owned subsidiary, VLSB by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest in VLSB for a total purchase consideration of RM100,000/-. On 4 September 2020, the shares owned by NBSB have been transferred to NMEDBS.

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

There were no changes in the composition of the Group during the financial period ended 31 October 2020 except followings (cont'd):

#### (b) Incorporation of subsidiaries (cont'd)

##### (iii) Incorporation of a wholly-owned subsidiary, Medical Brands Inc (“MBI”)

On 11 August 2020, NBSB incorporated a wholly-owned subsidiary, Medical Brands Inc (“MBI”) by way of issuance of unlimited ordinary shares of USD0.0001 each representing 100% equity interest in MBI in British Virgin Island.

##### (iv) Incorporation of a wholly-owned subsidiary, Medic Asset Group Sdn. Bhd. (“MAGSB”)

On 12 August 2020, NBSB incorporated a wholly-owned subsidiary, MAGSB by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest in MAGSB for a total purchase consideration of RM100,000/.

##### (v) Incorporation of a wholly-owned subsidiary, NEG Auto Group Sdn. Bhd. (“NAGSB”)

On 21 September 2020, NISB incorporated a wholly-owned subsidiary, NAGSB by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest in NAGSB for a total purchase consideration of RM100,000/.

##### (vi) Incorporation of a wholly-owned subsidiary, Media Data Science Pte. Ltd. (SG) (“MDSPL”)

On 30 September 2020, NBSB incorporated a wholly-owned subsidiary, MDSPL by way of issuance of 1,000 ordinary shares of SGD 0.0001 each, representing 100% equity interest in MDSPL for a total consideration of SGD 0.10/-.

##### (vii) Incorporation of a wholly-owned subsidiary, MDS Data Science (M) Sdn. Bhd. (“MDS”)

On 17 November 2020, NMEDBS incorporated a wholly-owned subsidiary, MDS by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest in MDS for a total purchase consideration of RM100,000/-.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER  
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**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>10,681,422</u>

**A14. Capital commitments**

There were no capital commitments during the period under review.

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

**B1. Review of performance**

	Individual Period (1 <sup>st</sup> Quarter)		Changes %	Cumulative Period		Changes %
	Current Quarter	Preceding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	31 Oct 2020 RM'000	31 Oct 2019 RM'000		31 Oct 2020 RM'000	31 Oct 2019 RM'000	
Revenue	12,946	12,003	7.85	12,946	12,003	7.85
Operating (loss)/profit	(2,267)	1,336	(>100)	(2,267)	1,336	(>100)
(Loss)/profit before interest and tax	(2,145)	1,299	(>100)	(2,145)	1,299	(>100)
(Loss)/profit before tax	(2,838)	477	(>100)	(2,838)	477	(>100)
(Loss)/profit after tax	(2,814)	500	(>100)	(2,814)	500	(>100)
(Loss)/profit attributable to Ordinary Equity Holders of the parent	(2,665)	67	(>100)	(2,665)	67	(>100)

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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2020

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

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

The Group recorded revenue of RM12.9 million in the current 3-months financial period ended 31 October 2020 as compared to RM12.0 million reported in the previous year corresponding period. The Group's revenue slightly increased by 7.85% mainly due to increase in revenue from healthcare division.

The Group recorded a loss before taxation of RM2.8 million for the current 3-months financial period ended 31 October 2020 as compared to a profit before taxation of RM0.5 million reported in the preceding year corresponding period. The increase in loss before taxation recorded in the current quarter was mainly attributed by suffered loss on logistic and a group of subsidiaries involve in dealing with a wide-ranging choice of security and video surveillance equipment which were badly affected by the outbreak of Covid-19.

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

The Group recorded revenue of RM12.9 million in the current 3-months financial period ended 31 October 2020 as compared to RM12.0 million reported in the previous year corresponding period. The Group's revenue slightly increased by 7.85% mainly due to increase in revenue from healthcare division.

The Group recorded a loss before taxation of RM2.8 million for the current 3-months financial period ended 31 October 2020 as compared to a profit before taxation of RM0.5 million reported in the preceding year corresponding period. The increase in loss before taxation recorded in the current quarter was mainly attributed by suffered loss on logistic and a group of subsidiaries involve in dealing with a wide-ranging choice of security and video surveillance equipment which were badly affected by the outbreak of Covid-19.

**NEXGRAM HOLDINGS BERHAD**Company No. 660055-H  
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ENDED 31 OCTOBER 2020****1. Review of performance (cont'd)****(c) Performance of the current quarter against the preceding quarter**

	<b>Current Quarter 31 Oct 2020 RM'000</b>	<b>Immediate Preceding Quarter 31 Jul 2020 RM'000</b>	<b>Changes %</b>
Revenue	12,946	15,703	(17.56)
Operating loss	(2,267)	(60,600)	(96.26)
Loss before interest and tax	(2,145)	(60,673)	(96.46)
Loss before tax	(2,838)	(61,057)	(95.35)
Loss after tax	(2,814)	(60,480)	(95.35)
Loss attributable to Ordinary Equity Holders of the parent	(2,665)	(58,597)	(95.45)

For the current quarter ended 31 October 2020, the Group recorded revenue of RM12.9 million as compared to RM15.7 million recorded in the previous quarter ended 31 July 2020. The Group's revenue decreased 17.56% due to the decrease of sales in logistic division and a group of subsidiaries involve in dealing with a wide-ranging choice of security and video surveillance equipment.

The Group recorded a loss before taxation of RM2.8 million for the current quarter ended 31 October 2020 as compared to loss before taxation of RM61.1 million recorded in the previous quarter ended 31 July 2020. The loss decreased in this quarter mainly due to suffered loss on disposal of investment property, bad debt written off, fair value loss on investment, impairment on goodwill and write-off of land held for property development in previous quarter.

**B2. Current year's prospect**

The Management views that year 2021 will continue to be a challenging year due to the current economic and politics issues taken part in Malaysia. The Group will continue to venture in ICT division involves the trading and distribution of security and video surveillance equipment and logistics division involves the provision of handling, stock piling, receiving and loading of dry bulk cargo (i.e. bauxite, iron ore, manganese ore and etc.) services at Kuantan Port, Kemaman Port, Johor Port and Batu Pahat jetty.

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ENDED 31 OCTOBER 2020****B2. Current year's prospect (cont'd)**

The unprecedented COVID-19 pandemic has certainly created severe impact to humanity with lives being lost to the pandemic, borders closed by the Governments in most countries around the world. Malaysia is no exception to these impacts. While there are economic uncertainties arising from the impact of this pandemic, we continue to believe that our business is resilient as during the lockdown, online services will be in greater demand.

The Covid-19 pandemic provides new opportunities for the company to provide medical solutions and introduce Covid-19 test such as antibody Rapid Test Kit (“RTK”) and Polymerase Chain Reaction (“PCR”) molecular diagnosis screening. The official distribution rights for Healgen, Liangrun antibody RTK and Fosun PCR have gained traction from government and private sector. The PCR reagents are recognised by WHO and FDA which the Company has submitted to Malaysia Medical Device Authority for approval. This is evidence from continuous repeat orders for the company services during pandemic. Despite the challenges, the Company is cautiously optimistic that the long-term outlook for the company continues to remain positive as we continuously introduce innovative services in the country and as well as within our regional presence.

**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 31.10.20 <u>RM</u></b>	<b>Year to date 31.10.20 <u>RM</u></b>
Depreciation of property, plant and equipment	280,037	280,037
Interest expense	748,254	748,254
Interest income	(54,956)	(54,956)
Realised loss on foreign exchange	6,962	6,962
Unrealised loss on foreign exchange	(11,995)	(11,995)



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ENDED 31 OCTOBER 2020****B5. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to-date	Preceding year corresponding period
	<b>31.10.20 RM</b>	<b>31.10.19 RM</b>	<b>31.10.20 RM</b>	<b>31.10.19 RM</b>
Current period's provision	-	-	-	-
Deferred tax provision	24,640	23,490	24,640	23,490
<b>Total</b>	<b>24,640</b>	<b>23,490</b>	<b>24,640</b>	<b>23,490</b>

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

There were no other corporate proposals announced by the Company as at the date of the report except the following:

- a) Proposed disposal of eleven (11) storey stratified office building, Nexgram Tower

On 31 December 2018, Coconut Three Sdn. Bhd., a wholly-owned subsidiary of the Company has entered into a Sale and Purchase Agreement (“SPA”) with IMS Development Sdn. Bhd. (“IMS”) for the disposal of 11 storey stratified office building located at Kuala Lumpur for a total consideration of RM67,000,000/-.

On 23 August 2019, an Extraordinary General Meeting (“EGM”) of the Company was held for the purpose to obtain approvals of all relevant parties and/or authorities Coconut Three Sdn. Bhd. to dispose Nexgram Tower to IMS for a cash consideration of RM67,000,000/- and upon such terms and conditions as set out in the sale and purchase agreement (“SPA”) dated on 31 December 2018.

The Disposal has been completed on 25 June 2020 in accordance with the terms and conditions of the SPA.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER  
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**B6. Status of corporate proposals and utilisation of proceeds (cont'd)**

The proceed arising from the disposal of RM67,000,000/- are intended to be utilised as follows:-

	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Intended timeframe for utilisation</b>
Repayment of bank borrowings	48,800	48,156	Within six (6) months
Provision of payment of judgement sum to Spacious Glory Sdn Bhd	12,500	-	Within six (6) months
Retention of rental and utilities deposits paid by Nexgram Tower's tenants	1,000	894	Within six (6) months
Payment to non-trade creditors	1,600	1,241	Within six (6) months
Working capital	2,800	3,326	Within six (6) months
Expenses in relation to the Proposed Disposal	300	384	Within one (1) months
<b>Total</b>	<b>67,000</b>	<b>54,001</b>	

**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 October 2020.

<b>Secured borrowings</b>	<b>Payable within 12 months (RM)</b>	<b>Payable after 12 months (RM)</b>
Denominated in: Malaysian Ringgit	52,232,951	15,877,444

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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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 OCTOBER 2020

### B9. Material litigation

There is no material litigation as at the date of the report except following:

a) Legal suit with Spacious Glory Sdn. Bhd.

Spacious Glory Sdn. Bhd. (“Plaintiff”) vs Nexgram Land Sdn. Bhd. (currently know as Coconut Three Sdn. Bhd. (“CTSB”)) (“Defendant”)

CTSB, a wholly-owned subsidiary of the Company had on 18 July 2017 received a sealed Writ of Summons dated on 13 July 2017 (“the Writ”) and Statement of Claim dated on 12 July 2017 from the Plaintiff’s solicitor claiming the sum of RM12,500,000/- from the Defendant.

The Plaintiff is claiming RM12,500,000/- from the Defendant, being the purchase consideration for the sale and purchase of 770,000 ordinary shares, representing 70% equity interest in Blue Hill Development Sdn. Bhd. (“BHD”) by the Defendant from the Plaintiff pursuant to the Sale and Purchase Agreement (“SPA”) dated on 15 April 2016.

The claim had been categorically denied and disputed by the Defendant and Defendant had at the same time on 21 August 2017 filed a counter-claim against the Plaintiff for breach of warranties especially with regards to the no-litigations (current or future, written or verbal, and apparent, contingent or threatened) confirmation made by its director during the due diligence exercise prior to signing of the SPA of the shares in BHD between Plaintiff and the Defendant.

The claim and counterclaim were tried in the Kuala Lumpur High Court on 4 June 2018 to 6 June 2018. On 20 July 2018, the High Court allowed Plaintiff’s claim for RM12,500,000/- plus interest in the original action. The High Court also allowed Defendant’s claim for misrepresentation in the counterclaim action but did not grant the relief sought by the Defendant to (amongst others) terminate the Share Sale Agreement (“SSA”) for misrepresentation.

Defendant has appealed against the High Court’s decision and appeal is fixed for hearing on 9 October 2019. The Appellant had on 7 October 2019 filed a Notice of Motion to stay the Appeal.

On 15 October 2019, a physical Case Management to fix the hearing date for the Notice of Motion for the stay of Appeal as well as the Appeal proper. The Court of Appeal has fixed that the hearing of both Motion for Stay of Appeal as well as the Appeal proper on 16 December 2019. On 11 December 2019, the Appellant filed the Appellant’s Second (“2nd”) Motion for a Stay of Appeal. On 16 December 2019, the Appellant withdrawn the First (“1st”) Motion for Stay and requested from the Court to reply to the Affidavit in Reply filed by the First Respondent in respect of the Appellant’s 2nd Motion for a Stay of Appeal. The Court of Appeal then fixed the hearing of Appellant’s 2nd Motion for a Stay of Appeal on 17 January 2020. On 17

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### B9. Material litigation (cont'd)

#### a) Legal suit with Spacious Glory Sdn. Bhd. (cont'd)

January 2020, the Court of Appeal dismissed the Appellant's 2nd Motion for a Stay of Appeal and fixed the Appeal proper on 27 March 2020. Following the Movement Control Order ("MCO") issued by the Malaysian Government from 18 to 31 March 2020, as preventive measure to control the widespread of COVID-19 pandemic, the Court of Appeal had vacated the hearing of the Appeal proper and 27 March 2020 had been made a case management date by e-review to fix a new hearing date.

On 27 March 2020, the Court of Appeal has fixed on 28 August 2020 as the hearing of the Appeal proper. Hearing of the Appeal which was fixed on 28 August 2020 has been adjourned by the Court to 11 November 2020 pending leave from the High Court on the application by the First Respondent and the Second Respondent to proceed with the cross Appeal, due to restriction to file or proceed with any suit against the Plaintiff, as a result of the application for Judicial Management by the First Respondent. Hearing of the Appeal has been adjourned by the court to 26 April 2021.

#### b) Legal suit with BMW Credit (M) Sdn. Bhd.

BMW Credit (M) Sdn. Bhd. ("Plaintiff") vs Coconut Three Sdn. Bhd. and How Han Lun ("Defendants")

Coconut Three Sdn. Bhd. and How Han Lun (ex-director of Nexgram) had received a seal Writ of Summons dated on 25 June 2019 ("the Writ") from the Plaintiff's solicitor claiming for a sum of RM233,955/- (including the interest of 8% per annum on the amount outstanding until full payment) for default of payment under hire purchase facility. The second Defendant is a Guarantor to such hire purchase facility.

On 25 September 2019, the Court has given its decision against the first Defendant based on the Plaintiff's application for summary judgement since there was no affidavit in reply filed by the first Defendant. The Defendant's solicitors have been served with the Sealed Judgment and Sealed Order dated 25 September 2019.

On 14 January 2020, the vehicles have been sold for RM150,000 via Public Auction. The remaining outstanding amounted to RM119,263.43 will be paid via thirty (30) instalments.

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### B9. Material litigation (cont'd)

#### c) Legal suit with Lau Tian Kit

##### (i) Coconut Three Sdn. Bhd. ("Plaintiff") vs Lau Tian Kit ("Defendant")

The Plaintiff had on 11 August 2018 filed a Writ and Statement of Claim dated on 9 August 2018 in Kuala Terengganu High Court against the Defendant to claim for compensation for breach of Profit Guarantee Agreement dated on 14 April 2016 ("Profit Guarantee Agreement") given by the Defendant to the Plaintiff in which Blue Hill Development Sdn. Bhd. had failed to achieve RM2,000,000/- post-tax profit and instead incurring a loss of RM5,250,311/- as at 31 July 2017.

In Statement of Claim, the Plaintiff is claiming from the Defendant the following:-

1. the sum of RM7,250,311/- to be paid by the Defendant to the Plaintiff;
2. interest at the rate of 5% per annum on the sum of RM7,250,311/- to be calculated from 30 September 2017 up to the date of full settlement by the Defendant;
3. costs of action on solicitors-client basis to be paid by the Defendant to the Plaintiff; and
4. further and/or other relief that the Court deems just and/or suitable and/or fair.

On 20 September 2018, the Plaintiff had filed a Notice of Application for Summary Judgment against the Defendant. The Plaintiff had then served the unsealed Notice of Application and Affidavit in Support dated on 19 September 2018 and the sealed Notice of Application on 24 September 2018.

Subsequently, by the consent of both the Plaintiff and Defendant, the Plaintiff had withdrawn its application for Summary Judgment and the Defendant had withdrawn its application for striking out and the full trial took place on 14 January 2019. Oral clarification before the Honourable Judicial Commissioner was fixed on 31 May 2019, before the decision to be pronounced by the Court.

On 19 June 2019, the Court dismissed Plaintiff's Claim with cost on the basis that the audited financial statement used by the Plaintiff to refer to the post-tax profit under the Profit Guarantee Agreement of Blue Hill Development Sdn. Bhd. is the audited financial statement dated 31 July 2017 and not the audited financial statement dated 30 September 2017 which should be the basis of the Claim.

The Plaintiff has on 16 July 2019 filed an appeal in the Court of Appeal Putrajaya.

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### B9. Material litigation (cont'd)

#### (c) Legal suit with Lau Tian Kit (Continued)

##### (i) Coconut Three Sdn. Bhd. (“Plaintiff”) vs Lau Tian Kit (“Defendant”) (Cont’d)

Court of Appeal Putrajaya: Coconut Three Sdn. Bhd. (“Plaintiff”) vs Lau Tian Kit (“Defendant”)

The Plaintiff has filed a Notice of Appeal on 16 July 2019 in the Court of Appeal and the case management is fixed for e-review on 5 September 2019. The Court has fixed on 4 October 2019 as at the next case management by e-review to fix the hearing date for the appeal.

On 4 October 2019, the Court of Appeal has fixed 30 June 2020 as the hearing of the appeal. The hearing of this Appeal on 30 June 2020 has been vacated and converted to e-review to enable the Applicant to fix a hearing date of its Notice of Motion for Extension of Time. The Respondents have indicated that they are not objecting to the application for extension of time by the Appellant. The Court has fixed the date of the hearing of the Appeal on 9 November 2020 and now extended to 2 February 2021.

##### (ii) Coconut Three Sdn. Bhd. and Nexgram Holdings Berhad (“Plaintiffs”) vs Lau Tian Kit (“Defendant”)

The Plaintiffs had on 20 August 2018 filed a Writ and Statement of Claim against the Defendant amongst other things for minority shareholder oppression, refusal to allow access to accounting records of Blue Hill Development Sdn. Bhd. (“BHD”) and for writing on behalf of second Plaintiff to Bursa Malaysia Securities Berhad on various litigations matters involving BHD.

In the Statement of Claim, the Plaintiffs are seeking, inter alia, the following reliefs against the Defendant:-

1. the Defendant to allow an approved auditor to be appointed by the Plaintiffs to access and inspect and take copies of all accounting records and documents of BHD;
2. damages in the sum of RM7,000,000/- or such other sum from the Defendant as the Court thinks fit to the Plaintiffs for refusal to provide the audited financial statement to the Plaintiffs;
3. damages in the sum of RM6,000,000/- or such other sum as the Court thinks fit to the second Plaintiff as compensation for writing to Bursa Malaysia Securities Berhad without the authorisation of the Board of Directors of the second Plaintiff which had caused damage to the second Plaintiff;

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### B9. Material litigation (cont'd)

#### (c) Legal suit with Lau Tian Kit (Continued)

##### (ii) Coconut Three Sdn. Bhd. and Nexgram Holdings Berhad (“Plaintiffs”) vs Lau Tian Kit (“Defendant”) (Continued)

In the Statement of Claim, the Plaintiffs are seeking, inter alia, the following reliefs against the Defendant:- (Continued)

4. Defendant is strictly prohibited whether personally or through any of his companies or through his solicitors or his advisors at any time, to write or communicate the matters pertaining to BHD which is within the jurisdictions of the Board of Directors of Coconut Three Sdn. Bhd. or the second Plaintiff to any party without the prior written approval of the Board of Directors of the respective Plaintiffs;
5. equitable compensation, other loss and damages to be assessed;
6. interest on all sum found to be due to the Plaintiffs at such rates and for such periods of time as the Court thinks fit; and
7. such further or other relief as the Honourable Court deems fit.

The Defendant has filed an application to strike out the Plaintiffs’ action and the Court fixed 11 January 2019 for hearing of application for striking out. On 21 February 2019, the Court dismissed the Defendant’s application to strike out and fixed on 8 May 2019 and 9 May 2019 for full trial. The Court subsequently fixed 18 September 2019 for decision hearing.

The Court has dismissed the Plaintiffs’ application with cost. The Plaintiff’s solicitors are in the midst of filing the Notice of Appeal and will be doing so by 17 October 2019.

Court of Appeal Putrajaya: Coconut Three Sdn. Bhd. and Nexgram Holdings Berhad (“Appellants”) vs Lau Tian Kit (“Defendant”)

The Plaintiff’s solicitor has filed the Notice of Appeal on 17 October 2019. The Court has fixed on 5 December 2019 for case management date. However, the Court of Appeal has fixed on 10 February 2020 for case management by e-review. The Respondent had on 30 January 2020 filed a Notice of Motion to strike out the Appeal by reason that the Notice of Appeal was served on the Respondent out of time. On 9 February 2020 the Appellants filed Notice of Motion for an extension of time to serve the Notice of Appeal to the Respondent.

The Court of Appeal has fixed both Applications for hearing simultaneously on 7 April 2020. Due to closure of businesses and Court as a result of the Movement Control Order imposed by the Government of Malaysia, the hearing

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### B9. Material litigation (cont'd)

#### (c) Legal suit with Lau Tian Kit (Continued)

on 10 April 2020 has been rescheduled to 18 June 2020. The Application by the Applicant was dismissed on 18 June 2020 with cost. The Company was dissatisfied with the Decision of the Court of Appeal especially when the grounds of judgment have not been issued by the High Court since its decision 17 October 2019. The Company has instructed its Solicitors to file a leave to appeal in the Federal Court and the application has been filed and the hearing for the leave to appeal has been fixed on 6 November 2020 and now extended to 25 November 2020. On 25 November 2020 the leave to Appeal by the Appellant dismissed by the Federal Court with cost of RM 40,000.00 to be paid by the Appellants to the Respondent.

#### (d) Legal Suit with Justin Faye & Partners

Winding Up Petition Served on Coconut Three Sdn. Bhd. ("Respondent") by Justin Faye & Partners ("Petitioner")

On 7 February 2020, the Respondent (a wholly-owned subsidiary of the Company) has been served with a winding-up petition ("Petition") by the Petitioner.

On 18 February 2020, the Petitioner has served the Respondent the Summon in Chambers in relation to an application to appoint private liquidator.

Both the Petition and Summon in Chambers is fixed for case management on 2 March 2020 at the Kuala Lumpur High Court. The hearing of the case is fixed on 7 April 2020. The case management for the Petition has been rescheduled to 18 May 2020 and the hearing for the Petition and the Appointment of Private Liquidator has been rescheduled to 23 June 2020. The Summon in Chamber fixed on 18 May 2020 is heard together on 23 June 2020 for the Petition and the Appointment of Private Liquidator.

The hearing for the winding-up of petition is fixed on 24 August 2020. The Court has re-fixed the next date on 30 September 2020.

However, the Respondent is in the midst of negotiation with the Petitioner to settle out of Court.

Thus, to date, a total sum of RM188,862/- is payable by Coconut Three Sdn. Bhd. to the Plaintiff. The payable amount has been provided by the Group during the year.



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

**B11. Earnings per share****(a) Basic**

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>
Loss attributable to ordinary equity holders of the Company (RM)	(2,664,898)	(2,664,898)
Weighted average number of shares	2,230,081,192	2,230,081,192
Basic earnings per shares (sen)	(0.12)	(0.12)

**(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>
Loss attributable to ordinary equity holders of the Company (RM)	(2,664,898)	(2,664,898)
Weighted average number of shares	2,230,081,192	2,230,081,192
Effects of dilution in outstanding warrants	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	2,230,081,192	2,230,081,192
Diluted earnings per shares (sen)	N/A	N/A