

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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FORTH QUARTER ENDED 31 JULY 2021**

NEXGRAM HOLDINGS BERHAD

Company No. 660055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER
ENDED 31 JULY 2021

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31 JULY 2021 RM	PRECEDING YEAR CORRESPONDING QUARTER 31 JULY 2020 RM	CURRENT YEAR TO-DATE 31 JULY 2021 RM	PRECEDING YEAR CORRESPONDING PERIOD 31 JULY 2020 RM
Revenue		1,120,218	15,839,052	75,077,399	41,142,176
Operating expenses		(1,228,471)	(75,285,712)	(75,363,734)	(102,242,768)
Loss from operations		(108,253)	(59,446,660)	(286,335)	(61,100,592)
Depreciation		(273,359)	(168,351)	(758,809)	(728,285)
Share of profit from an associate		48,201	102,893	273,991	211,836
Finance costs		(1,360,608)	(602,435)	(3,844,026)	(2,155,616)
Interest income		(28,236)	140,458	264,965	452,401
Loss before taxation		(1,722,255)	(59,974,095)	(4,350,214)	(63,320,256)
Taxation	B5	(654,149)	906,191	(634,424)	466,721
Loss for the period		(2,376,404)	(59,067,904)	(4,984,638)	(62,853,535)
Other comprehensive loss, net of tax					
Foreign currency translation available-for-sale financial assets		3,270,651	(3,042,894)	(447,231)	426,036
Loss on fair value changes of equity investment		-	-	-	(2,920,990.00)
Total comprehensive loss for the period, net of tax		3,270,651	(3,042,894)	(447,231)	(2,494,954)
Loss for the period attributable to:					
Equity holders of the Company		(2,531,055)	(59,568,092)	(5,059,822)	(61,891,388)
Non-controlling interests		154,651	500,188	75,184	(962,147)
Loss for the period		(2,376,404)	(59,067,904)	(4,984,638)	(62,853,535)
Total comprehensive loss attributable to:					
Equity holders of the Company		739,596	(62,610,986)	(5,507,053)	(64,386,342)
Non-controlling interests		154,651	500,188	75,184	(962,147)
Total comprehensive loss for the period		894,247	(62,110,798)	(5,431,869)	(65,348,489)
Earnings per share attributable to equity holders of the Company:-					
- Basic (sen)	B12	(0.07)	(2.67)	(0.14)	(2.77)
- 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 22)

NEXGRAM HOLDINGS BERHAD

Company No. 660055-H
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER
ENDED 31 JULY 2021**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AT 31 JULY 2021 (UNAUDITED) RM	AT 31 JULY 2020 (AUDITED) RM
ASSETS		
Non-current assets		
Property, plant and equipment	6,229,276	2,291,296
Investment properties	10,100,000	10,100,000
Intangible assets	55,323	-
Goodwill on consolidation	33,730,734	33,730,734
Investment in associate	1,409,280	1,135,289
Investment in quoted shares	7,076,618	6,240,624
Right of use asset	806,052	4,075,229
Inventories	22,614,225	22,614,225
Total non-current assets	82,021,506	80,187,397
Current assets		
Inventories	3,470,080	3,548,417
Project development	158,500	-
Receivables	51,564,261	25,042,418
Tax recoverable	(100,923)	233,816
Amount owing by an associate	-	359,272
Fixed deposits with licensed banks	15,609,998	13,468,811
Cash and bank balances	8,068,920	8,701,948
Total current assets	78,770,836	51,354,682
Total assets	160,792,342	131,542,079
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the parent:		
Share capital	90,225,510	206,519,923
Reserves	24,961,900	20,929,584
Accumulated losses	(3,197,460)	(138,228,210)
Shareholders' funds	111,989,950	89,221,297
Non controlling interests	6,366,285	6,768,058
Total equity	118,356,235	95,989,355
LIABILITIES		
Non-current liabilities		
Loans and borrowings	10,393,274	9,929,688
Lease liability payable	806,820	338,747
Deferred tax liabilities	146,273	358,272
Total non-current liabilities	11,346,367	10,626,707
Current liabilities		
Payables	18,512,442	19,507,036
Amount owing to directors	4,232,855	2,487,463
Loans and borrowings	8,151,279	2,649,713
Lease liability payable	61,537	135,635
Tax payables	131,627	146,170
Total current liabilities	31,089,740	24,926,017
Total liabilities	42,436,107	35,552,724
Total equity and liabilities	160,792,342	131,542,079
Net assets per share attributable to ordinary equity holders of the Company (sen)	3.096	4.280

(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 22)

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Company No. 660055-H

(Incorporated in Malaysia)

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ENDED 31 JULY 2021

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to owners of the parent									Non-controlling interests RM	Total equity RM	
	Non-Distributable						Distributable					
	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 losses RM	Total 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	26,305,587	-	-	-	-	-	(13,137,794)	-	-	13,167,793	-	13,167,793
- Capital reduction	(142,600,000)	-	-	-	-	-	-	-	142,600,000	-	-	-
- Conversion of RCPS	-	-	-	-	-	-	-	(5,110,150)	-	(5,110,150)	-	(5,110,150)
- Issuance of RCPS	-	-	-	-	-	-	-	19,500,000	-	19,500,000	-	19,500,000
- Acquisition of subsidiaries	-	-	-	-	-	-	-	-	3,810,308	3,810,308	6,541,474	10,351,782
- Realisation of revaluation	-	-	-	(23,727)	-	-	-	-	-	(23,727)	-	(23,727)
- Foreign currency translation	-	-	-	-	-	2,803,987	-	-	-	2,803,987	-	2,803,987
Total transactions with owners	(116,294,413)	-	-	(23,727)	-	2,803,987	(13,137,794)	14,389,850	146,410,308	34,148,211	6,541,474	40,689,685
Loss for the financial period	-	-	-	-	-	-	-	-	(4,984,638)	(4,984,638)	(6,943,247)	(11,927,885)
Other comprehensive loss for the period	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the financial period	-	-	-	-	-	-	-	-	(4,984,638)	(4,984,638)	(6,943,247)	(11,927,885)
At 31 July 2021	90,225,510	6,281,395	(3,944,998)	534,974	(245,000)	(1,511,192)	7,416,871	16,429,850	3,197,460	118,384,870	6,366,285	124,751,155
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 MRFSS 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	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

(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 22)

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER
ENDED 31 JULY 2021**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	CUMULATIVE QUARTER	
	CURRENT YEAR TO-DATE 31 JULY 2021 RM	PRECEDING YEAR TO-DATE 31 JULY 2020 RM
Cash flows from operating activities		
Loss before taxation	(4,350,214)	(63,320,256)
Adjustments for non-cash flow:		
Non-cash items	53,382,590	61,194,623
Finance costs	3,844,026	2,155,616
Interest income	(264,965)	(452,401)
Operating profit/(loss) before working capital changes	<u>52,611,437</u>	<u>(422,418)</u>
Changes in working capital:		
Net change in current assets	(27,416,154)	(19,330,056)
Net change in current liabilities	(6,163,723)	(9,294,452)
Cash used in from operations	<u>19,031,560</u>	<u>(29,046,926)</u>
Interest paid	3,844,026	(2,155,616)
Tax paid	(634,424)	(779,014)
Tax refund	-	1,041,163
Net cash used in operating activities	<u>22,241,162</u>	<u>(30,940,393)</u>
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	-	(152,421)
Purchase of property, plant and equipment	(1,381,800)	(393,150)
Purchase of intangible assets	(55,323)	-
Purchase of land held for property development	-	(40,055)
Proceeds from disposal of property, plant and equipment equivalents disposed off	(70,904)	67,000,000
Proceeds from disposal of property, plant and equipment	-	169,915
Dividend received	296,467	161,174
Interest received	264,965	452,401
Placement of fixed deposits	(2,141,187)	(174,526)
Net cash (used in)/generated from investing activities	<u>(3,087,782)</u>	<u>67,023,338</u>
Cash flows from financing activities		
Issuance of irredeemable convertible preference share	-	20,554,665
Conversion of irredeemable convertible preference share	2,630,557	5,800,000
Issuance of redeemable convertible preference share	(19,500,000)	-
Conversion of redeemable convertible preference share	5,110,150	-
Interest received	277,542	-
Advances from director	-	(11,320,192)
Payment of lease liabilities	-	(56,592)
Drawdown of term loan	452,839	-
Repayment of hire purchase creditors	(347,164)	(347,164)
Drawdown of hire purchase creditors	218,789	-
Repayment of term loans	(452,839)	(46,299,747)
Net cash used in from financing activities	<u>(11,610,126)</u>	<u>(31,669,030)</u>
Net decrease in cash and cash equivalents	7,543,254	4,413,915
Cash and cash equivalents at 1 Aug	15,189,258	10,771,826
Translation differences	-	3,517
Cash and cash equivalents at end of period	<u>22,732,512</u>	<u>15,189,258</u>
Cash and cash equivalents comprise of :-		
Cash and bank balances	8,068,920	8,701,948
Fixed deposit with a licensed bank	15,609,998	7,385,621
Bank overdraft	(946,406)	(898,311)
	<u>22,732,512</u>	<u>15,189,258</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 22)

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2021

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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A6. Debts and equity securities

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: -

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

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.

On 17 September 2021, all the number of ICPS has been fully converted as below:

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	(1,254,379,394)	-
Capital	80,000,000	(80,000,000)	-
Total	2,345,466,465	(2,345,466,465)	-

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
ENDED 31 JULY 2021****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 July 2021 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	600,000	19,441,266	-	-	12,250,862	42,960,020	(174,748)	75,077,399
Loss before taxation	(776,238)	(1,841,715)	2,098,031	(1,079,392)	(635,131)	(2,115,769)	-	(4,350,214)

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.

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 July 2021.

NEXGRAM HOLDINGS BERHAD

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2021

A12. Changes in composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 July 2021 except followings:

a) Acquisition of subsidiaries

(i) Acquisition of 70% equity interest in PT NDS Glokal Utama (“PTNDSGU”) and its subsidiary

On 1 October 2020, Medical Brands Inc. (“MBI”), a wholly-owned subsidiary of the Company entered into a Share Sale Agreement (“SSA”) to acquire 70% equity interest PTNDSGU for a total consideration of RM500,000.00.

(ii) Acquisition of 65% equity interest in Arita Holdings Sdn. Bhd. (“AHSB”) and its subsidiaries

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 July 2021 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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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 July 2021 except followings (cont'd):

(c) Disposal of subsidiaries

(i) Disposal of 65% equity interest in Arita Holdings Sdn. Bhd. (“AHSB”) and its subsidiaries

On 30 July 2021, NMED Industries Sdn Bhd. (“NMEDI”), a wholly-owned subsidiary of the Company entered into a Share Sale Agreement (“SSA”) to dispose 65% equity interest AHSB for a total consideration of RM19,500,000.00 via cash and cash equivalents.

(ii) Disposal of 70% equity interest in PT NDS Glokal Utama (“PTNDSGU”) and its subsidiary

On 30 July 2021, Medical Brands Inc. (“MBI”), a wholly-owned subsidiary of the Company entered into a Share Sale Agreement (“SSA”) to dispose 70% equity interest PTNDSGU for a total consideration of RM500,000 via cash and cash equivalents.

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>10,772,960</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 (4 th Quarter)		Changes %	Cumulative Period		Changes %
	Current Quarter	Preceding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	31 Jul 2021 RM'000	31 Jul 2020 RM'000		31 Jul 2021 RM'000	31 Jul 2020 RM'000	
Revenue	1,120	15,839	(92.9)	75,077	41,142	82.5
Loss from operation	(108)	(59,446)	99.8	(286)	(61,100)	99.5
Loss before interest and tax	(333)	(59,512)	99.4	(771)	(61,617)	98.7
Loss before taxation	(1,722)	(59,974)	97.1	(4,350)	(63,320)	93.1
Loss for the period	(2,376)	(59,068)	96.0	(4,984)	(62,854)	92.1
Loss attributable to Ordinary Equity Holders of the parent	(2,531)	(59,568)	95.8	(5,060)	(61,891)	91.8

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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 RM1.1 million in the current 3-months financial period ended 31 July 2021 as compared to RM15.8 million reported in the previous year corresponding period. The Group's revenue decreased by 92.9% mainly due to disposal of business segment from manufacturing of medical plastic during the quarter but this has been supported by revenue contribution from the new division (i.e. healthcare) which mainly attributable from providing Tracvirus Covid-19 related services and distribution of Covid-19 test kits.

The Group recorded a loss before taxation of RM1.7 million for the current 3-months financial period ended 31 July 2021 as compared to a loss before taxation of RM60.0 million reported in the preceding year corresponding period.

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

The Group recorded revenue of RM75.1 million in the current 12-months financial period ended 31 July 2021 as compared to RM41.1 million reported in the previous year corresponding period. The Group's revenue increase by 82.5% mainly to revenue contribution from the new division (i.e. healthcare) manufacturing of medical plastic products, providing Tracvirus Covid-19 related services and distribution of Covid-19 test kits.

The Group recorded a loss before taxation of RM4.3 million for the current 12-months financial period ended 31 July 2021 as compared to a loss before taxation of RM63.3 million reported in the preceding year corresponding period. The decrease in loss before taxation recorded in the current quarter was mainly attributed by the reduced in operating expenses and finance cost from the subsidiaries in ICT and healthcare division.

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	Current Quarter 31 Jul 2021 RM'000	Immediate Preceding Quarter 30 Apr 2021 RM'000	Changes %
Revenue	1,120	27,717	(96.0)
Loss from operations	(108)	(1,351)	92.0
Loss before interest and tax	(333)	(1,563)	78.7
Loss before taxation	(1,722)	(1,201)	(43.4)
Loss after taxation	(2,376)	(1,201)	(97.8)
Loss attributable to Ordinary Equity Holders of the parent	(2,531)	(989)	(>100.0)

For the current quarter ended 31 July 2021, the Group recorded revenue of RM1.1 million as compared to RM27.7 million recorded in the previous quarter ended 30 April 2021. The Group's revenue decreased 96.0% due to the decrease in revenue contribution from subsidiary in healthcare division.

The Group recorded a loss before taxation of RM1.7 million for the current quarter ended 31 July 2021 as compared to loss before taxation of RM1.2 million recorded in the previous quarter ended 30 April 2021. The loss decreased in this quarter mainly due to decrease in revenue contribution from healthcare division which are manufacturing of medical plastic products, has been disposed during the quarter.

B2. Current year's prospect

The Management views that year 2021 will continue to be a challenging but promising year due to the current economic and pandemic issues taken part in Malaysia. The Group will continue to venture in existing government systems for pandemic and endemic management, inter-agencies platforms, payment solutions and applications, as well as medical related services such as medical devices distributions, bio science research and development, medicine and healthcare product franchises, on top of existing ICT segment involves in the trading and distribution of security and video surveillance equipment, logistics division involves in the provision of handling, stock piling, receiving and loading of dry bulk cargo services at Kuantan Port, Kemaman Port, Johor Port and Batu Pahat jetty, and long-term research and development of electric vehicle solutions in preparation for next economic recovery cycle.

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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 businesses and services will be in greater demand. The prolonged pandemic with the slow rollout of the Covid-19 vaccination programme and the ongoing lockdown will have a negative impact on the recovery of the Malaysian economy.

The Covid-19 pandemic provides new opportunities for the company to provide medical solutions and introduce Covid-19 health screening. Tracvirus lab and clinic system is an open platform which continue to provide service for Covid-19 health screening and vaccination report to public and private hospitals and clinics nationwide since April 2020.

On July 2020, Tracvirus was introduced to Ministry of Health (“KKM”) and subsequently the system is included in SafeTravelPass Malaysia for the facilitation of all travellers coming into Malaysia. The system was reviewed by multi-agencies and further recommended for use by Malaysian National Security Council (Majlis Keselamatan Negara Malaysia, or “MKN”) on November 2020. Minister of Ministry of Defence Dato Seri Ismail Sabri on January 2021 supported the use of both systems, and Prime Minister Office accepted the use of the components under TracAPM digitalisation system operated by Malaysia Civil Defence Force (Angkatan Pertahanan Awam Malaysia, or “APM”). On 24 March 2021, the Prime Minister Tan Sri Dato’ Haji Muhyiddin bin Haji Muhammad Yassin launched the TracAPM Digital System which solved the digitalisation of APM forces on-the-ground in handling the pandemic quarantine station, transportation, screening test and emergency response as well as handling of corpse due to Covid-19. The system successfully solved the multi-agencies manual processes under one unified platform in the Kuala Lumpur International Airport (KLIA) since February 2021 for all travellers entering Malaysia, all kinds of quarantine tracking including hotel, government facilities and home quarantines. The system further being implemented as pilot project in Sarawak for all International borders entries, as well as all domestic travel bubble entry points for Island of Langkawi, in KLIA, KLIA2, Subang, Ipoh, Johor and Sarawak airports, as well as Kuala Perlis Ferry Terminal, Kuala Kedah Ferry Terminal and other entry points in support of national endemic programs.

The TracAPM digital system is ready with screening test and vaccine record verifications, unification of local and International digital certificates, and in compliance to Onepassworld International medical digital privacy and security standards. Travellers coming to Malaysia can register for the “SafeTravelPass” online at <http://safetravelpass.tracvirus.com.my> and save time and processes of all services and requirements under one unified platform. This digital pass can be verified by the TracAPM system at all airports and borders including the KLIA upon arrival. TracAPM travellers entry registration as well as pre-registration system SafeTravelPass Malaysia is

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B2. Current year's prospect (cont'd)

recognised by National Disaster Management Agency (NADMA) and other relevant agencies to ensure secure and safe travel in and out of Malaysia as well as domestic travel bubbles.

Over all group investment in healthcare continues to progress well with government project TracAPM and SafeTravelPass pandemic and endemic travellers entry-registration, payment and process management of Quarantine-Stations, home quarantines and government services contributing positively in current financial year. COVID-19 tests partnership with government is looking at positive return in coming quarter after much capital investment, in view of taking part of mass screening assignment engaged with government health facilities during endemic economic and border openings. Government project capital investment continue to weight on current quarter which is normal for concession early investment and The Group continue to invest further in line with government direction to push for economic and social recovery. The healthcare segment had experienced lower margin and recent success in contracts shall expect to contribute to bottom line in coming quarters.

On the other bright side, the logistic segment saw the growing demand of port services post pandemic. The Group expect the coming quarters shall expect the recovery of business activities especially import and export segment related to port activities,

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.

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

	Quarter ended 31.07.21 <u>RM</u>	Year to date 31.07.21 <u>RM</u>
Depreciation of property, plant and equipment	273,359	758,809
Interest expense	1,360,608	3,844,026
Realised loss on foreign exchange	(12,613)	(39,457)
Unrealised loss on foreign exchange	-	(11,995)
Interest income	28,236	(264,965)

B5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to-date	Preceding year corresponding period
	31.07.21 RM	31.07.20 RM	31.07.21 RM	31.07.20 RM
Current period's provision	654,149	(494,308)	634,424	(181,745)
Deferred tax provision	-	(411,883)	-	(284,976)
Total	654,149	(906,191)	634,424	(466,721)

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/-.

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B6. Status of corporate proposals and utilisation of proceeds (cont'd)

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.

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

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended timeframe for utilisation
Repayment of bank borrowings	48,800	48,655	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) month
Total	67,000	54,500	

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 July 2021.

Secured borrowings	Payable within 12 months (RM)	Payable after 12 months (RM)
Denominated in: Malaysian Ringgit	8,151,279	10,393,274

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B7. Borrowings and debt securities (cont'd)

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.

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”) against Nexgram Land Sdn. Bhd. (currently known as Coconut Three Sdn. Bhd. (“CTSB”)) (“Defendant”)

CTSB (“Appellant”) against Spacious Glory Sdn. Bhd. and Lau Tian Kit (collectively the “Respondent”)

CTSB, a wholly-owned subsidiary of the Company had on 18 July 2017 received a sealed Writ of Summons dated 13 July 2017 and the Statement of Claim dated 12 July 2017 from Spacious Glory Sdn Bhd’s solicitors claiming the sum of RM12,500,000 from CTSB, 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 CTSB from the Plaintiff pursuant to the Sale and Purchase Agreement dated 14 April 2016 (“**BHD SPA**”).

On 21 August 2017, CTSB filed a counter-claim against the Respondent for inter alia misrepresentations made by the Respondent to CTSB prior to the execution of the BHD SPA.

The High Court had on 20 July 2018 allowed the claim in the original action by the Plaintiff and ordered CTSB to pay RM12,500,000 plus interest. As for the counterclaim, the High Court allowed the counterclaim in part by finding that there was representation but did not grant an order to rescind the BHD SPA.

Pending the hearing of the appeal at the High Court, an application by the intended intervener to intervene on the case, the case is fixed for hearing on 9 October 2019 which was postponed to 7 November 2019.

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B9. Material litigation (cont'd)

On 17 January 2020, the Court of Appeal dismissed the Appellant's 2nd Motion for a stay of appeal. On 27 March 2020, the Court of Appeal has fixed on 28 August 2020 as the hearing of the appeal proper which was subsequently adjourned by the court to 26 April 2021. However, the court has fixed for Case Management pending obtaining Sanction from Director General of Insolvency ("DGI") on 5 July 2021. The application of Sanction has been approved by the Official Receiver vide their letter dated 27 August 2021.

The Court of Appeal has fixed for Hearing on 13 October 2021.

b) Legal suit with Lau Tian Kit

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 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 ("Claim"):-

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 to the Plaintiff;
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

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B9. Material litigation (cont'd)

b) Legal suit with Lau Tian Kit (cont'd)

Coconut Three Sdn. Bhd. (“Plaintiff”) vs Lau Tian Kit (“Defendant”) (cont'd)

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 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 and fixed 30 June 2020 for the hearing of the appeal on the Profit Guarantee Agreement.

On 4 October 2019, the Court of Appeal has fixed 30 June 2020 as the hearing of the appeal but it was 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. Subsequently, the Court has fixed the date of the hearing of the appeal on 9 November 2020 and which was extended to 3 May 2021 and further was extended to 30 September 2021.

Now the case is fixed for Case Management on 26 October 2021 as Plaintiff has to fulfil the conditions set by DGI by 13 October 2021.

(c) Legal Suit with Justin Faye & Partners

Winding Up Petition served on CTSB (“Respondent”) by Justin Faye & Partners (“Petitioner”)

This Winding Up Petition was filed by Messrs. Justin Faye & Partners, the Petitioner on 04.02.2020. The said Winding Up Petition was heard and on 11.02.2021 and the Court has ordered that Coconut Three Sdn. Bhd. (Company No.: 1016195-X) be wound up by the Court under the provisions of the Companies Act, 2016.

Both the Respondent and the Petitioner filed Application to appoint their own Private Liquidators and both said Applications were dismissed by the Judicial Commissioner Nadzarin Bin Wok Nordin on 05.02.2021.

In order to proceed with the other cases Sanction need to be obtained from DGI.

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B9. Material litigation (cont'd)

(c) Legal Suit with Justin Faye & Partners (cont'd)

Winding Up Petition served on CTSB (“Respondent”) by Justin Faye & Partners (“Petitioner”) (cont'd)

Thus, we have made the relevant application for the said Sanction and now we are waiting for the approval from DGI.

B10. Dividend

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.

	Current Quarter	Current Year to date
Loss attributable to ordinary equity holders of the Company (RM)	(2,531,055)	(5,059,822)
Weighted average number of shares	3,617,393,544	3,617,393,544
Basic earnings per shares (sen)	(0.07)	(0.14)

(b) Diluted

Not applicable.