

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 JULY 2022**

NEXGRAM HOLDINGS BERHAD

Company No. 660055-H  
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
ENDED 31 JULY 2022

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31 JULY 2022 RM	PRECEDING YEAR CORRESPONDING QUARTER 31 JULY 2021 RM	CURRENT YEAR TO-DATE 31 JULY 2022 RM	PRECEDING YEAR CORRESPONDING PERIOD 31 JULY 2021 RM
Revenue		4,703,812	(633,024)	31,576,281	73,324,157
Operating expenses		(13,953,992)	(254,550)	(46,940,250)	(74,389,813)
<b>Loss from operations</b>		<b>(9,250,180)</b>	<b>(887,574)</b>	<b>(15,363,969)</b>	<b>(1,065,656)</b>
Depreciation		(370,194)	(3,030,224)	(1,668,156)	(3,515,674)
Share of (loss)/ profit from an associate		(428,755)	39,604	127,740	265,394
Finance costs		(594,898)	(1,412,763)	(818,042)	(3,896,181)
Interest income		301,376	(28,239)	431,137	264,962
<b>Loss before taxation</b>		<b>(10,342,651)</b>	<b>(5,319,196)</b>	<b>(17,291,290)</b>	<b>(7,947,155)</b>
Taxation	B5	(420,509)	(869,934)	(369,512)	(850,209)
<b>Loss for the period</b>		<b>(10,763,160)</b>	<b>(6,189,130)</b>	<b>(17,660,802)</b>	<b>(8,797,364)</b>
<b>Other comprehensive loss, net of tax</b>					
Foreign currency translation available-for-sale financial assets		2,884,476	4,106,093	(17,829)	388,211
Gain on revaluation of properties		41,707	677,742	41,707	677,742
Gain on fair value changes of equity investment		(453,779)	1,979,685	(453,779)	1,979,685
		<b>2,472,404</b>	<b>6,763,520</b>	<b>(429,901)</b>	<b>3,045,638</b>
<b>Total comprehensive loss for the period, net of tax</b>		<b>(8,290,756)</b>	<b>574,390</b>	<b>(18,090,703)</b>	<b>(5,751,726)</b>
<b>Loss for the period attributable to:</b>					
Equity holders of the Company		(7,141,417)	(2,786,402)	(14,039,059)	(5,331,409)
Non-controlling interests		(3,621,743)	(3,386,488)	(3,621,743)	(3,465,955)
<b>Loss for the period</b>		<b>(10,763,160)</b>	<b>(6,189,130)</b>	<b>(17,660,802)</b>	<b>(8,797,364)</b>
<b>Total comprehensive (loss)/ profit attributable to:</b>					
Equity holders of the Company		(4,669,013)	3,960,878	(14,468,960)	(2,491,173)
Non-controlling interests		(3,621,743)	(3,386,488)	(3,621,743)	(3,260,553)
<b>Total comprehensive loss for the period</b>		<b>(8,290,756)</b>	<b>574,390</b>	<b>(18,090,703)</b>	<b>(5,751,726)</b>
Earnings per share attributable to equity holders of the Company:-					
- Basic (sen)	B12	(0.16)	(0.10)	(0.32)	(0.19)
- 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 2022 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 17)

**NEXGRAM HOLDINGS BERHAD**

Company No. 660055-H  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FORTH QUARTER  
ENDED 31 JULY 2022**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AT 31 July 2022 (UNAUDITED) RM	AT 31 JULY 2021 (AUDITED) RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	32,036,597	2,537,001
Investment properties	7,500,000	7,500,000
Intangible assets	78,676	52,897
Goodwill on consolidation	31,871,187	33,730,734
Investment in associate	1,528,422	1,400,682
Other investments	7,740,050	7,349,678
Right of use asset	15,288,836	9,286,808
Inventories	22,614,225	22,614,224
<b>Total non-current assets</b>	<b>118,657,993</b>	<b>84,472,024</b>
<b>Current assets</b>		
Inventories	5,612,708	4,019,236
Receivables	7,358,017	49,843,933
Tax recoverable	131,400	251,013
Fixed deposits with licensed banks	14,823,593	15,586,757
Cash and bank balances	4,020,839	8,083,743
<b>Total current assets</b>	<b>31,946,557</b>	<b>77,784,682</b>
<b>Total assets</b>	<b>150,604,550</b>	<b>162,256,706</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent:</b>		
Share capital	109,408,507	90,195,510
Reserves	861,826	26,668,521
Accumulated losses	(16,876,608)	(2,879,861)
Shareholders' funds	93,393,725	113,984,170
Non controlling interests	3,180,801	6,790,032
<b>Total equity</b>	<b>96,574,526</b>	<b>120,774,202</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	9,251,283	10,446,047
Lease liability payable	3,404,489	873,062
Deferred tax liabilities	1,127,863	1,095,196
<b>Total non-current liabilities</b>	<b>13,783,635</b>	<b>12,414,305</b>
<b>Current liabilities</b>		
Payables	27,373,868	17,340,110
Amount owing to directors	3,509,744	2,962,004
Loans and borrowings	5,149,019	8,138,102
Lease liability payable	3,976,705	362,680
Tax payables	237,053	265,303
<b>Total current liabilities</b>	<b>40,246,389</b>	<b>29,068,199</b>
<b>Total liabilities</b>	<b>54,030,024</b>	<b>41,482,504</b>
<b>Total equity and liabilities</b>	<b>150,604,550</b>	<b>162,256,706</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (sen)</b>	<b>2.14</b>	<b>4.14</b>

(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 2022 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 17)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
ENDED 31 JULY 2022

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

	<----- Attributable to owners of the parent ----->									Distributable		
	Non-Distributable									Non-controlling interests		Total equity
	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	Non-controlling interests RM	Total equity RM
At 1 August 2021	90,195,510	6,281,395	(1,444,400)	2,158,852	(245,000)	(3,929,047)	7,416,871	16,429,850	(2,879,861)	113,984,170	6,790,032	120,774,202
Transaction with owners:												
- Conversion of ICPS	14,833,742	-	-	-	-	-	(7,416,871)	-	-	7,416,871	-	7,416,871
- Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-
- Conversion of RCPS	-	-	-	-	-	-	-	(13,117,552)	-	(13,117,552)	-	(13,117,552)
- Issuance of RCPS	-	-	-	-	-	-	-	-	-	-	-	-
- Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
- Transfer to share capital from Warrant A	4,378,255	(4,378,255)	-	-	-	-	-	-	-	-	-	-
- Realisation of revaluation	1,000	-	-	(14,778)	-	-	-	-	-	(13,778)	12,511	(1,267)
- Foreign currency translation	-	-	-	-	-	(407,631)	-	-	42,312	(365,319)	-	(365,319)
Total transactions with owners	19,212,997	(4,378,255)	-	(14,778)	-	(407,631)	(7,416,871)	(13,117,552)	42,312	(6,079,778)	12,511	(6,067,267)
Loss for the financial period	-	-	-	-	-	-	-	-	(14,039,059)	(14,039,059)	(3,621,742)	(17,660,801)
Other comprehensive expenses for the financial year	-	-	(453,779)	-	-	(17,829)	-	-	-	(471,608)	-	(471,608)
Total comprehensive expense	-	-	(453,779)	-	-	(17,829)	-	-	(14,039,059)	(14,510,667)	(3,621,742)	(18,132,409)
<b>At 31 July 2022</b>	<b>109,408,507</b>	<b>1,903,140</b>	<b>(1,898,179)</b>	<b>2,144,074</b>	<b>(245,000)</b>	<b>(4,354,507)</b>	<b>-</b>	<b>3,312,298</b>	<b>(16,876,608)</b>	<b>93,393,725</b>	<b>3,180,801</b>	<b>96,574,526</b>
Balance as at 1 August 2020 as previously stated	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
Reclassification	-	-	-	1,191,680	-	-	-	-	(1,465,277)	(273,597)	-	(273,597)
Balance as at 1 August 2020 as restated	206,519,923	6,281,395	(3,944,998)	1,750,381	(245,000)	(4,315,179)	20,554,665	2,040,000	(139,693,487)	88,947,700	6,768,058	95,715,758
Total comprehensive expenses for the financial year-												
Loss for the financial year	-	-	-	-	-	-	-	-	(5,331,409)	(5,331,409)	(3,465,955)	(8,797,364)
Other comprehensive income/(expenses) for the financial year	-	-	1,979,685	474,419	-	386,132	-	-	-	2,840,236	205,402	5,885,874
Total comprehensive income/(expenses)	-	-	1,979,685	474,419	-	386,132	-	-	(5,331,409)	(2,491,173)	(3,260,553)	(5,751,726)
Transaction with owners:												
- Issuance of RCPS	-	-	-	-	-	-	-	19,500,000	-	19,500,000	-	19,500,000
- Redemption of RCPS	-	-	-	-	-	-	-	(5,110,150)	-	(5,110,150)	-	(5,110,150)
- Conversion of ICPS	26,275,587	-	-	-	-	-	(13,137,794)	-	-	13,137,793	-	13,137,793
- Capital Reduction	(142,600,000)	-	-	-	-	-	-	-	142,600,000	-	-	-
- Disposal of investment in OCI	-	-	520,913	-	-	-	-	-	(520,913)	-	-	-
- Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	(2,771,565)	(2,771,565)
- Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	6,054,092	6,054,092
- Realisation of revaluation	-	-	-	(65,948)	-	-	-	-	65,948	-	-	-
Total transactions with owners	(116,324,413)	-	520,913	(65,948)	-	-	(13,137,794)	14,389,850	142,145,035	27,527,643	3,282,527	30,810,170
At 31 July 2021	90,195,510	6,281,395	(1,444,400)	2,158,852	(245,000)	(3,929,047)	7,416,871	16,429,850	(2,879,861)	113,984,170	6,790,032	120,774,202

(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 2022 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 17)

**NEXGRAM HOLDINGS BERHAD**

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
ENDED 31 July 2022**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**

	CUMULATIVE QUARTER	
	CURRENT YEAR TO-DATE 31 JULY 2022	PRECEDING YEAR TO-DATE 31 JULY 2021
	RM	RM
<b>Cash flows from operating activities</b>		
Loss before taxation	(17,291,290)	(7,947,155)
Adjustments for non-cash flow:		
Non-cash items	5,343,996	3,577,851
Finance costs	(818,042)	(3,896,181)
Interest income	431,137	(701,236)
Operating loss before working capital changes	(12,334,198)	(8,966,721)
Changes in working capital:		
Net change in current assets	39,332,317	(21,814,547)
Net change in current liabilities	10,033,758	(3,026,420)
Cash generated from/ (used in) operations	37,031,877	(33,807,688)
Interest paid	818,042	(3,896,181)
Tax paid	(28,250)	(698,969)
<b>Net cash generated from/ (used in) operating activities</b>	<b>37,821,669</b>	<b>(38,402,838)</b>
<b>Cash flows from investing activities</b>		
Acquisition of intangible assets	(38,399)	(55,500)
Purchase of property, plant and equipment	(31,032,099)	(595,519)
Acquisition of subsidiaries, net of cash acquired	-	(1,887,116)
Net cash from disposal of subsidiary companies	-	13,464,963
Proceeds from disposal of property, plant and equipment	233,893	167,000
Loss from disposal of quoted shares	-	1,164,632
Dividend received	134,094	151,446
Interest received	(431,137)	701,236
Placement of fixed deposits	763,164	(2,806,739)
<b>Net cash generated (used in)/ from investing activities</b>	<b>(30,884,239)</b>	<b>10,304,403</b>
<b>Cash flows from financing activities</b>		
Conversion of irredeemable convertible preference share	7,416,871	13,137,793
Conversion of Warrant A	1,000	-
Redemption of redeemable convertible preference share	(13,117,552)	(5,110,150)
Repayment to directors	547,740	474,541
Repayment of lease liabilities	6,145,452	(270,736)
Repayment of hire purchase creditors	-	(579,214)
Drawdown of borrowings	-	18,203,347
(Repayment)/ Drawdown of term loans	(4,183,847)	474,818
<b>Net cash generated (used in)/ from in financing activities</b>	<b>(3,190,335)</b>	<b>26,330,399</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>3,747,095</b>	<b>(1,768,036)</b>
Effect of foreign exchange rate changes	264,635	412,942
Cash and cash equivalents as at 1 Aug	13,834,164	15,189,258
<b>Cash and cash equivalents at end of period</b>	<b>17,845,894</b>	<b>13,834,164</b>
<b>Cash and cash equivalents comprise of :-</b>		
Cash and bank balances	4,020,839	8,083,742
Fixed deposit with a licensed bank	14,823,594	6,696,828
Bank overdraft	(998,539)	(946,406)
	<b>17,845,894</b>	<b>13,834,164</b>

(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 2022 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 17)

# NEXGRAM HOLDINGS BERHAD

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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2022

### 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 2022.

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 2022.

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 2021.

##### **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 9, Financial Instruments
- Amendments to MFRS 139, Financial Instruments: Recognition and Measurement
- Amendments to MFRS 7, Financial Instruments: Disclosure
- Amendments to MFRS 4, Insurance Contracts
- Amendments to MFRS 16, Leases

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

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards
- Amendments to MFRS 3, Business Combinations
- Amendments to MFRS 9, Financial Instruments
- Amendments to MFRS 116, Property, Plant and Equipment

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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 JULY 2022

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

#### MFRSs effective for annual period beginning on or after 1 August 2022 (cont'd)

- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets
- Amendments to MFRS 141, Agriculture
- Amendments to Annual Improvements to MFRS Standards 2018 – 2020

#### MFRSs effective for annual period beginning on or after 1 August 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 101, Presentation of Financial Statements
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to MFRS112, Income Taxes

The Group and the Company plan to apply the above mentioned accounting standards, amendments and interpretations from the annual period beginning on 1 August 2021 for the accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2021.

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 2021.

### 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.

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
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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.

**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:

- (a) On 10 March 2022, the Company announced that the bonus issue of warrants (Warrants D) on the basis of one (1) Warrant D for every five (5) existing ordinary shares in Nexgram (Shares) has been completed with the listing of and quotation for 882,847,640 Warrants D on the Ace Market Bursa Securities.
- (b) On 14 September 2022, the Company announced that the Company is proposing to consolidate every ten (10) existing Nexgram Shares held by the shareholders of Nexgram, on an entitlement date to be determined and announced later into one (1) Consolidated Share.

**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 2022 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	-	23,144,174	-	145,056	771,657	7,515,394	-	31,576,281
Loss before taxation	(1,211,724)	(110,933)	(769,623)	(2,136,954)	(1,808,708)	(9,576,978)	(1,676,370)	(17,291,290)



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**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**

On 29 September 2022, Medic Asset Group Sdn Bhd (MAGSB), a wholly-owned sub-subsidiary of the Company had entered into a Conditional Share Sale Agreement with Croske Hotels Sdn Bhd and Flyboys Club Sdn Bhd (collectively referred to as the “Vendors”) for the proposed acquisition of the entire equity interest in Wings By Croske Resort Langkawi Sdn Bhd for a total purchase consideration of RM90.0 million to be satisfied via the issuance of 1,000,000 redeemable convertible preference shares (RCPS) at an issue price of RM90.00 per RCPS in MAGSB to the Vendors.

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

There were no changes in the composition of the Group during the financial period during the period under review.

**A13. Contingent assets or liabilities**

Save as disclosed below, the Company does not have any contingent assets or liabilities during the period under review.

	RM
<u>Contingent liability:</u>	
Corporate guarantee granted to subsidiary companies	<u>10,838,510</u>

**NEXGRAM HOLDINGS BERHAD**Company No. 660055-H  
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Save as disclosed below, the Company does not have any capital commitments during the period under review.

RM

Capital commitment:

Property, plant and equipment 61,526,758

On 1 July 2021, a wholly-owned subsidiary company, Nexgram Biomedic Sdn Bhd had entered into a Sale and Purchase Agreement with Perbadanan Kemajuan Negeri Melaka to acquire a piece of 99 years of leasehold land in Melaka.

**ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING  
REQUIREMENTS OF BURSA SECURITIES****B1. Review of performance**

	Individual Period (4th Quarter)		Changes %	Cumulative Period		Changes %
	Current Quarter	Preceding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	31 July 2022 RM'000	31 July 2021 RM'000		31 July 2022 RM'000	31 July 2021 RM'000	
Revenue	4,704	(633)	(>100)	31,576	73,324	(56.9)
Loss from operation	(9,034)	(888)	>100	(15,148)	(1,066)	>100
Loss before interest and tax	(10,049)	(3,878)	>100	(16,904)	(4,316)	>100
Loss before taxation	(10,343)	(5,319)	94.5	(17,291)	(7,947)	>100
Loss for the period	(10,763)	(6,172)	74.4	(17,661)	(8,781)	>100
Loss attributable to Ordinary Equity Holders of the parent	(7,141)	(2,786)	>100	(14,039)	(2,835)	>100

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER  
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The Group recorded revenue of RM4.7 million in the current 3-months financial period ended 31 July 2022 as compared to RM0.63 million reported in the previous year corresponding period. The Group's revenue increased more than 100% mainly due to increase revenue contribution from subsidiary in ICT division.

The Group recorded a loss before taxation of RM10.3 million for the current 3-months financial period ended 31 July 2022 as compared to a loss before taxation of RM5.3 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 RM31.6 million in the current 12-months financial period ended 31 July 2022 as compared to RM73.3 million reported in the previous year corresponding period. The Group's revenue decreased by 56.9% mainly due to disposal of business segment from manufacturing of medical plastic for the last financial year.

The Group recorded a loss before taxation of RM17.3 million for the current 12-months financial period ended 31 July 2022 as compared to a loss before taxation of RM7.9 million reported in the preceding year corresponding period.

	<b>Current Quarter 31 July 2022 RM'000</b>	<b>Immediate Preceding Quarter 30 April 2022 RM'000</b>	<b>Changes %</b>
Revenue	4,704	9,016	(47.8)
Loss from operations	(9,034)	(3,653)	>100
Loss before interest and tax	(10,049)	(4,065)	>100
Loss before taxation	(10,343)	(4,030)	>100
Loss after tax	(10,763)	(4,027)	>100
Loss attributable to Ordinary Equity Holders of the parent	(7,141)	(3,195)	>100

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

#### (c) Performance of the current quarter against the preceding quarter (cont'd)

For the current quarter ended 31 July 2022, the Group recorded revenue of RM4.7 million as compared to RM9.0 million recorded in the previous quarter ended 30 April 2022. The Group's revenue decreased due to the decrease revenue contribution from subsidiary in healthcare division.

The Group recorded a loss before taxation of RM10.3 million for the current quarter ended 31 July 2022 as compared to profit before taxation of RM4.0 million recorded in the previous quarter ended 30 April 2022.

### B2. Current year's prospect

The Group intends to acquire Wings to utilise the Property as a healthcare service facility for its health and wellness treatments and services. In the past, the Property had been rented by the Group to carry out activities under its SAFETRAC Lounge and Wellness Centre program. SAFETRAC Lounge and Wellness Program was undertaken by Nexgram as it was appointed by the State Government of Kedah and accepted by the Lembaga Pembangunan Langkawi to carry out Covid-19 tests in line with the Malaysia International Travel Bubble program in Langkawi between 1 November 2021 and 21 July 2022. The hotel handled over 8,000 foreign visitors, with full utilisation of the Property's 18 suite rooms during the period. This arrangement has since been discontinued since the Malaysia International Travel Bubble program ceased and the Government of Malaysia fully opened the country's border beginning April 2022.

The prospects for the healthcare tourism industry is expected to grow in light of the Government of Malaysia's initiatives to develop healthcare tourism in the country. Medical Healthcare Travel Council is in the midst of finalising the Malaysia Healthcare Travel Industry Blueprint 2021-2025, which has the potential to contribute up to RM7.0 billion by 2025. Moreover, under Budget 2022, RM20 million has been allocated to the MHTC to stimulate the healthcare tourism industry and to strengthen Malaysia's position as a preferred healthcare tourism destination.

Malaysia is also one of the key destinations in Southeast Asia with a variety of attractions such as tropical forests, beautiful beaches and mountains as well as historical attractions, and is thus expected to continue to attract tourists. The attraction of Malaysia as a travel destination is expected to give rise to healthcare tourism in the country.

Apart from overseas travellers seeking medical treatments or on vacation, Malaysia's healthcare tourism industry also stands to benefit from foreigners seeking to reside in Malaysia over the long-term. Malaysia has been attractive for foreigners to reside as it has been rated as one of the top 10 destinations for retirement.

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

Moving forward, the Property will continue to be used by the Group as a healthcare facility providing health and wellness treatments and services such as stem cell treatments, chronic illness management, medical screening as well as vaccination services.

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

	<b>Quarter ended 31.07.22 RM</b>	<b>Year to date 31.07.22 RM</b>
Depreciation of property, plant and equipment	370,194	1,668,156
Interest expense	594,898	818,042
Unrealised loss on foreign exchange	18,217	24,333
Realised gain on foreign exchange	(13,851)	(49,585)
Interest income	(301,376)	(431,137)

**B5. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to-date	Preceding year corresponding period
	<b>31.07.22 RM</b>	<b>31.07.21 RM</b>	<b>31.07.22 RM</b>	<b>31.07.21 RM</b>
Current period's provision	420,509	869,934	369,512	659,277
Deferred tax provision	-	-	-	190,932
<b>Total</b>	<b>420,509</b>	<b>869,934</b>	<b>369,512</b>	<b>850,209</b>

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There were no other corporate proposals announced by the Company as at the date of the report.

**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 2022.

<b>Secured borrowings</b>	<b>Payable within 12 months (RM)</b>	<b>Payable after 12 months (RM)</b>
Denominated in: Malaysian Ringgit	5,149,019	9,251,283

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 above mentioned 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. (SGSB or Plaintiff) against Nexgram Land Sdn. Bhd. (currently known 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 13 July 2017 and the Statement of Claim dated 12 July 2017 from the Plaintiff's solicitors 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%

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

There is no material litigation as at the date of the report except following (cont'd):

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

equity interest in Blue Hill Development Sdn Bhd (BHD) by the Defendant from the Plaintiff pursuant to the Sale and Purchase Agreement dated 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 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 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.

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

There is no material litigation as at the date of the report except following (cont'd):

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

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.

The hearing 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 has fixed for Case Management pending obtaining Sanction from DGI on 23 November 2021 and on the said date the lawyer will inform the Court that DGI has granted the Sanction on 13 October 2021 to proceed this Appeal.

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

Subsequently, Coconut Three appealed against such Order and the Court of Appeal has on 30 November 2021 unanimously decided, inter alia, the following:

- (a) the claim for specific performance granted by the High Court to Spacious Glory Sdn Bhd and the order for the Coconut Three to pay the consideration sum of the RM12,500,000 to Spacious Glory Sdn Bhd pursuant Share Sale Agreement dated 14 April 2016 (“SSA”) are set aside;
- (b) that a declaration SSA between the parties is terminated and does not bind the parties accordingly to the law and not to be given effect;
- (c) the Respondent cross appeal both dated 19 October 2018 are unanimously dismissed; and
- (d) the decision of the High Court dated 20 July 2018 is varied accordingly.

The Respondent, Spacious Glory Sdn. Bhd has filed a Notice of Motion in Federal Court for leave to appeal against the Court of Appeal’s Decision which is now fixed for hearing / case management on 22 July 2022, which was postponed to 7 November 2022.



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

There is no material litigation as at the date of the report except following (cont'd):

- b) Coconut Three Sdn Bhd, Nexgram and Mazru Bin Mat Yusof and 1 other as appellant and Lau Tian Kit, Spacious Glory Sdn Bhd and 1 other as respondents in respect of the counter claim made by the appellant against the respondents – Kuala Lumpur High Court WA 22NCC-210-04/2019.

The above case is in respect of the counterclaim made by appellant to strike out the conspiracy claims made against them by the Respondents.

The appeal is in relation to the dismissal of the counterclaim by the High Court on 10 November 2020.

All the witnesses have given their testimonies in Court, now The Court has fixed date to file Additional submission on 18 May 2022 for Decision on 25 May 2022.

On 25 May 2022, the court delivered its decision as follows subject to allocator fee: -

- (i) Coconut Three Sdn Bhd, Nexgram, Mazru and Leing Ti Kang jointly pay for RM150,000 and RM200,000 as General Damages and Aggravated Damages;
- (ii) Coconut Three, Nexgram, Mazru and Leing Ti Kang separately pay for RM100,000 each as Exemplary Damages; and
- (iii) Coconut Three Nexgram, Mazru and Leing Ti Kang jointly pay for RM180,000 as legal costs.

The appellant has filed a Notice of Appeal to Appeal against the said decision of the high Court to the Court of Appeal which is now fixed the case management on 6 October 2022.

- c) Mahkamah Rayuan Sivil No: W-02(IM)(NCC) –1882-12/2020

Spacious Glory Sdn Bhd (“Plaintiff”) against Nexgram Land Sdn Bhd (now known as Coconut Three Sdn Bhd) (“Defendant”) (ii) Coconut Three (“Appellant”) against Spacious Glory Sdn Bhd and Lau Tian Kit (collectively the “Respondent”).

This is the Appeal filed by Coconut Three Sdn Bhd against the decision of Yang Arif Ong Chee Kwan on 10 November 2020, dismissed the Second Counter Claim filed by Coconut Three Sdn Bhd & 3 Others. The Court of Appeal Dismissed the said Appeal on 20 April 2022.

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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)	(7,141,417)	(14,039,059)
Weighted average number of shares	4,362,867,199	4,362,867,199
Basic earnings per shares (sen)	(0.16)	(0.32)

**(b) Diluted**

Not applicable.