

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

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER ENDED 31 JANUARY 2023**

NEXGRAM HOLDINGS BERHAD

Company No. 660055-H  
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 31 JANUARY 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 31 JANUARY 2023 RM	PRECEDING YEAR CORRESPONDING QUARTER 31 JANUARY 2022 RM	CURRENT YEAR TO-DATE 31 JANUARY 2023 RM	PRECEDING YEAR CORRESPONDING PERIOD 31 JANUARY 2022 RM
<b>Revenue</b>		11,730,563	9,249,444	23,333,219	17,856,417
Operating expenses		(13,245,826)	(9,883,755)	(27,664,453)	(20,317,174)
<b>Loss from operations</b>		<u>(1,515,263)</u>	<u>(634,311)</u>	<u>(4,331,234)</u>	<u>(2,460,757)</u>
Depreciation		(1,186,576)	(348,125)	(2,393,437)	(636,820)
Share of profit from an associate		1,094,083	159,393	984,114	307,061
Finance costs		(201,199)	(50,828)	(448,639)	(155,318)
Interest income		(360,617)	102,436	70,520	129,761
<b>Loss before taxation</b>		<u>(2,169,571)</u>	<u>(771,434)</u>	<u>(6,118,675)</u>	<u>(2,816,073)</u>
Taxation	B5	(1,711)	2,271	37,395	33,345
<b>Loss for the period</b>		<u>(2,171,282)</u>	<u>(769,163)</u>	<u>(6,081,280)</u>	<u>(2,782,728)</u>
<b>Other comprehensive loss, net of tax</b>					
Foreign currency translation available-for-sale financial assets		(8,034,687)	(1,107,186)	(23,005,162)	(4,009,491)
Gain/(Loss) on fair value changes of equity investment		-	409	-	(364,368)
		<u>(8,034,687)</u>	<u>(1,106,777)</u>	<u>(23,005,162)</u>	<u>(4,373,859)</u>
<b>Total comprehensive loss for the period, net of tax</b>		<u>(10,205,969)</u>	<u>(1,875,940)</u>	<u>(29,086,442)</u>	<u>(7,156,587)</u>
<b>Loss for the period attributable to:</b>					
Equity holders of the Company		(2,385,510)	(344,142)	(6,405,434)	(2,357,706)
Non-controlling interests		214,228	(425,021)	324,154	(425,021)
<b>Loss for the period</b>		<u>(2,171,282)</u>	<u>(769,163)</u>	<u>(6,081,280)</u>	<u>(2,782,728)</u>
<b>Total comprehensive loss attributable to:</b>					
Equity holders of the Company		(10,420,197)	(1,450,919)	(29,410,596)	(6,731,565)
Non-controlling interests		214,228	(425,021)	324,154	(425,021)
<b>Total comprehensive loss for the period</b>		<u>(10,205,969)</u>	<u>(1,875,940)</u>	<u>(29,086,442)</u>	<u>(7,156,587)</u>
Earnings per share attributable to equity holders of the Company:-					
- Basic (sen)	B12	<u>(0.05)</u>	<u>(0.04)</u>	<u>(0.15)</u>	<u>(0.05)</u>
- Diluted (sen)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(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)

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(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 31 JANUARY 2023**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	AT 31 JANUARY 2023 (UNAUDITED) RM	AT 31 JULY 2022 (AUDITED) RM
Property, plant and equipment	41,036,623	32,137,779
Investment properties	46,100,000	46,100,000
Intangible assets	1,132,136	78,676
Goodwill on consolidation	16,771,187	16,771,187
Investment in associate	2,400,744	1,416,630
Other investments	7,111,760	7,740,049
Right of use asset	13,006,964	15,267,576
<b>Total non-current assets</b>	<b>127,559,414</b>	<b>119,511,897</b>
<b>Current assets</b>		
Inventories	6,416,770	5,612,706
Receivables	8,553,373	7,404,495
Tax recoverable	303,307	131,169
Amount owing by an associate	32,116	-
Fixed deposits with licensed banks	14,111,170	14,823,593
Cash and bank balances	3,342,318	4,058,307
<b>Total current assets</b>	<b>32,759,054</b>	<b>32,030,270</b>
<b>Total assets</b>	<b>160,318,468</b>	<b>151,542,167</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent:</b>		
Share capital	109,408,507	109,408,507
Reserves	266,875	742,512
Accumulated losses	(24,694,286)	(18,260,589)
Shareholders' funds	84,981,096	91,890,430
Non controlling interests	3,592,322	3,268,168
<b>Total equity</b>	<b>88,573,418</b>	<b>95,158,598</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	8,514,441	8,973,242
Lease liability payable	3,316,707	3,769,955
Deferred tax liabilities	2,664,024	2,722,569
<b>Total non-current liabilities</b>	<b>14,495,172</b>	<b>15,465,766</b>
<b>Current liabilities</b>		
Payables	42,251,693	27,548,709
Amount owing to directors	7,755,171	3,531,369
Loans and borrowings	5,001,064	6,030,680
Lease liability payable	1,960,428	3,525,523
Tax payables	281,522	281,522
<b>Total current liabilities</b>	<b>57,249,878</b>	<b>40,917,803</b>
<b>Total liabilities</b>	<b>71,745,050</b>	<b>56,383,569</b>
<b>Total equity and liabilities</b>	<b>160,318,468</b>	<b>151,542,167</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (sen)</b>	<b>1.92</b>	<b>2.54</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 SECOND QUARTER  
ENDED 31 JANUARY 2023

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

	----- Attributable to owners of the parent ----->											
	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	Non-controlling interests RM	Total equity RM
Balance as at 1 August 2022	109,408,507	1,903,140	(1,898,179)	2,144,074	(245,000)	(4,473,820)	-	3,312,297	(18,260,589)	91,890,430	3,268,168	95,158,598
Transaction with owners:												
- Foreign currency translation	-	-	(217,257)	-	-	22,746,782	-	-	(28,263)	22,501,262	-	22,501,262
Total transactions with owners	-	-	(217,257)	-	-	22,746,782	-	-	(28,263)	22,501,262	-	22,501,262
Loss for the financial period	-	-	-	-	-	-	-	-	(6,405,434)	(6,405,434)	324,154	(6,081,280)
Other comprehensive expenses for the financial year	-	-	-	-	-	(23,005,162)	-	-	-	(23,005,162)	-	(23,005,162)
Total comprehensive expense	-	-	-	-	-	(23,005,162)	-	-	(6,405,434)	(29,410,595)	324,154	(29,086,442)
<b>Balance as at 31 January 2023</b>	<b>109,408,507</b>	<b>1,903,140</b>	<b>(2,115,436)</b>	<b>2,144,074</b>	<b>(245,000)</b>	<b>(4,732,200)</b>	<b>-</b>	<b>3,312,297</b>	<b>(24,694,286)</b>	<b>84,981,096</b>	<b>3,592,322</b>	<b>88,573,418</b>
Balance as 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
Total comprehensive (expenses)/income for the financial year:-												
Loss for the financial year	-	-	-	-	-	-	-	-	(15,424,701)	(15,424,701)	(3,534,376)	(18,959,077)
Other comprehensive income/(expenses) for the financial year	-	-	(453,779)	29,195	-	(544,773)	-	-	-	(969,357)	12,512	(956,845)
Total comprehensive income/(expenses)	-	-	(453,779)	29,195	-	(544,773)	-	-	(15,424,701)	(16,394,058)	(3,521,864)	(19,915,922)
Transaction with owners:												
- Redemption of RCPS	-	-	-	-	-	-	-	(13,117,553)	-	(13,117,553)	-	(13,117,553)
- Conversion of ICPS	14,833,742	-	-	-	-	-	(7,416,871)	-	-	7,416,871	-	7,416,871
- Conversion of warrants	1,131	(131)	-	-	-	-	-	-	-	1,000	-	1,000
- Expiry of warrants	4,378,124	(4,378,124)	-	-	-	-	-	-	-	-	-	-
- Realisation of revaluation	-	-	-	(43,973)	-	-	-	-	43,973	-	-	-
Total transactions with owners	19,212,997	(4,378,255)	-	(43,973)	-	-	(7,416,871)	(13,117,553)	43,973	(5,699,682)	-	(5,699,682)
Balance as at 31 July 2022	109,408,507	1,903,140	(1,898,179)	2,144,074	(245,000)	(4,473,820)	-	3,312,297	(18,260,589)	91,890,430	3,268,168	95,158,598

(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)

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

	CUMULATIVE QUARTER	
	CURRENT YEAR TO-DATE 31 JANUARY 2023	PRECEDING YEAR TO-DATE 31 JANUARY 2022
	RM	RM
<b>Cash flows from operating activities</b>		
Loss before taxation	(6,118,675)	(2,816,073)
Adjustments for non-cash flow:		
Non-cash items	7,908,309	659,101
Finance costs	448,380	155,318
Interest income	(70,520)	(129,761)
Dividend income	(108,984)	-
Operating profit/(loss) before working capital changes	<u>2,058,510</u>	<u>(2,131,415)</u>
Changes in working capital:		
Net change in current assets	(1,985,058)	16,539,722
Net change in current liabilities	<u>14,603,344</u>	<u>143,049</u>
Cash generated from operations	<u>14,676,796</u>	<u>14,551,356</u>
Interest paid	(448,380)	(155,318)
Tax paid	(72,498)	(54,798)
Tax refund	-	12,970
<b>Cash generated from operating activities</b>	<u>14,155,918</u>	<u>14,354,210</u>
<b>Cash flows from investing activities</b>		
Acquisition of intangible assets	(1,061,400)	(25,920)
Purchase of property, plant and equipment	(9,576,137)	(3,063,763)
Purchase of quoted investment	-	(1,027,508)
Dividend received	108,984	131,615
Interest received	70,520	129,761
Placement of fixed deposits	-	(190,116)
<b>Net cash used in investing activities</b>	<u>(10,458,033)</u>	<u>(4,045,931)</u>
<b>Cash flows from financing activities</b>		
Conversion of irredeemable convertible preference share	-	14,833,742
Redemption of redeemable convertible preference share	-	(13,117,556)
Advance in amount due from Directors	4,223,802.00	1,944,751
Repayment of lease liabilities	(2,018,343)	(151,037)
Repayment of hire purchase creditors	(285,820)	(85,638)
Repayment of borrowings	(2,356,447)	(588,717)
Drawdown/(Repayment) of term loans	<u>1,232,501</u>	<u>(93,284)</u>
<b>Net cash generated from financing activities</b>	<u>795,693</u>	<u>2,742,261</u>
<b>Net increase in cash and cash equivalents</b>	4,493,578	13,050,540
Effect of foreign exchange rate changes	-	-
Cash and cash equivalents as at 1 Aug	<u>12,107,151</u>	<u>13,834,164</u>
<b>Cash and cash equivalents at end of period</b>	<u>16,600,729</u>	<u>26,884,704</u>
<b>Cash and cash equivalents comprise of :-</b>		
Cash and bank balances	3,342,318	11,995,618
Fixed deposit with a licensed bank	14,111,170	15,776,873
Bank overdraft	<u>(852,759)</u>	<u>(887,787)</u>
	<u>16,600,729</u>	<u>26,884,704</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 2022 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 17)

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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2023

### 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.

##### Effective for financial period beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current & Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 112	Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

##### Effective for financial period beginning on or after 1 January 2024

Amendments to MFRS 10	Leases
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##### Effective date to be determined by Malaysian Accounting Standards Board

Amendments to MFRS 10	Consolidated Financial Statements
Amendments to MFRS 128	Sale or Contribution of Assets between an Investor and its Associate of Joint Venture

The Group and the Company will adopt above mentioned standards, amendments or interpretations, if applicable, when they become effective in respective financial periods. The directors do not expect any material impact to the financial statements of the above pronouncements.

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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2023

### 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 2022.

### 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.

### 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 8 November 2022, the Company proposed to undertake a settlement of debt owing to certain creditors of the Company in the aggregate sum of RM29,592,145 to be fully satisfied through the issuance of 177,552,700 Irredeemable Convertible Preference Shares (“New ICPS”) at an price of RM0.05 each and the issuance of 207,145,090 new ordinary shares in Nexgram (“Nexgram Shares” or “Shares” or “Settlement Shares”) at an issue price of RM0.10 each, pursuant to 3 separate settlement agreements entered into between Nexgram and each of the Creditors on 8 November 2022 (“Settlement Agreements”), in following manner:

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
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<b>Creditors</b>	<b>Amount Owing as at 30 September 2022 (RM)</b>	<b>No. of New ICPS to be issued</b>	<b>No. of Settlement Shares to be issued</b>
Dato' Yek Siew Lee, Roman	3,658,107.00	21,948,600	25,606,770
Travix Design & Renovation Sdn Bhd	11,808,459.00	70,850,700	82,659,240
Midland Sands Sdn Bhd	14,125,578.00	84,753,400	98,879,080
<b>Total</b>	<b>29,592,145.00</b>	<b>177,552,700</b>	<b>207,145,090</b>

**Salient terms of the New ICPS**

The New ICPS are convertible into Conversion Shares in the following manner, pursuant to the Settlement Agreements:

- (i) 2 New ICPS for every 1 share (Conversion Mode 1); or
- (ii) 1 New ICPS together with payment of RM 0.05 for every 1 Share (Conversion Mode 2).

If all 177,552,700 New ICPS are converted based on Conversion Mode 1, a total of 88,776,350 Conversion Shares will be issued. If all 177,552,700 New ICPS are converted based on Conversion Mode 2, a total of 177,552,700 Conversion Shares will be issued.

On 29 March 2023, shareholder has granted an approval for the proposed to undertake a settlement of debt owing at the Extraordinary General Meeting.

**A7. Dividend paid**

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



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
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The segmental analysis of revenue and profit before taxation of the Group for the financial period ended 31 January 2023 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	-	17,355,945	-	132,528	3,467,724	2,519,015	(141,993)	23,333,219
(Loss)/ Profit before taxation	(5,109,710)	975,375	(7,640)	(433,006)	(518,033)	(1,025,661)	-	(6,118,675)

**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 January 2023 except the following:

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

On 15 February 2023, given that the Parties are unable to fulfill certain conditions (amongst others, the state consent not obtained by the Vendor) required under the SPA after numerous extensions of time, the parties have mutually agreed not to further extend and agree to terminate the SPA and upon such termination, the SPA shall become null and void with immediate effect from the date of the Mutual Termination Agreement. Upon termination of the SPA, the parties have no claim whatsoever against the other on any matter in respect of or arising out of the SPA.

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## UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 JANUARY 2023

### A11. Material events subsequent to the end of the quarter (cont'd)

- (b) On 29 September 2022, Medic Asset Group Sdn Bhd (“MAGSB”), a wholly-owned subsidiary of the Company had entered into a Conditional Share Sales Agreement (“CSSA”) with Croske Hotels Sdn Bhd (“CHSB”) and Flyboys Club Sdn Bhd (“FCSB”) (collectively referred to as the vendors) for the proposed acquisition of the entire equity interest in Wings By Croske Resort Langkawi Sdn Bhd (“WINGS”) 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.

On 8 March 2023, MAGSB, CHSB, FCSB and WINGS (collectively the "Parties") entered into a mutual termination agreement ("MTA"). The Parties have mutually agreed to terminate the CSSA according to the terms and conditions of the MTA as despite reasonable effort, there were certain conditions precedent of the CSSA which were unable to be satisfied by the respective Parties within twelve (12) months from the date of the CSSA.

- (c) On 10 March 2023, MAGSB had entered into a Conditional Sale and Purchase Agreement (“CSPA”) with WINGS for the proposed acquisition of the entire management right of a piece of land held under individual title H.S.(D) 110, PT 445, Bandar Padang Mat Sirat, Daerah Langkawi, Kedah measuring approximately 16,900 square metres together with the hotel known as Century One Helang Hotel Langkawi with 218 guest rooms and all the facilities (“the Management Rights of the said Property”) for a total purchase consideration of RM22.50 million to be satisfied via the issuance of 250,000 RCPS at an issue price of RM90.00 only per RCPS in MAGSB to the Vendor (“Proposed Acquisition”). The sale and purchase transaction has yet to be completed.

### A12. Changes in composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 January 2023.

### 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>11,142,828</u>

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**A14. Capital commitments**

There were no capital commitments during the period under review.

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

**B1. Review of performance**

	Individual Period (2nd Quarter)		Changes %	Cumulative Period		Changes %
	Current Quarter	Preceding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	31 Jan 2023 RM'000	31 Jan 2022 RM'000		31 Jan 2023 RM'000	31 Jan 2022 RM'000	
Revenue	11,731	9,249	26.84	23,333	17,856	30.67
Loss from operation	(1,515)	(634)	>100	(4,331)	(2,461)	75.99
Loss before interest and tax	(1,608)	(823)	95.38	(5,741)	(2,791)	>100
Loss before taxation	(2,170)	(771)	>100	(6,119)	(2,816)	>100
Loss for the period	(2,171)	(769)	>100	(6,081)	(2,783)	>100
Loss attributable to Ordinary Equity Holders of the parent	(2,386)	(344)	>100	(6,405)	(2,358)	>100

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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 RM11.7 million in the current 3-months financial period ended 31 January 2023 as compared to RM 9.2 million reported in the previous year corresponding period. The Group's revenue increased by 26.84% mainly due to increase revenue contribution from ICT Malaysia division.

The Group recorded a loss before taxation of RM2.2 million for the current 3-months financial period ended 31 January 2023 as compared to a loss before taxation of RM0.8 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 RM23.3 million in the current 6-months financial period ended 31 January 2023 as compared to RM17.9 million reported in the previous year corresponding period. The Group's revenue increase by 30.67% mainly due to revenue contribution from ICT Malaysia division.

The Group recorded a loss before taxation of RM6.1 million for the current 6-months financial period ended 31 January 2023 as compared to a loss before taxation of RM2.8 million reported in the preceding year corresponding period. The increase in loss before taxation recorded in the current quarter was mainly attributed by the increase in professional fees for the corporate exercise of investment holding company.

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

	<b>Current Quarter 31 Jan 2023 RM'000</b>	<b>Immediate Preceding Quarter 31 Oct 2022 RM'000</b>	<b>Changes %</b>
Revenue	11,731	11,603	1.10
Loss from operations	(1,515)	(2,816)	(46.20)
Loss before interest and tax	(1,608)	(4,133)	(61.09)
Loss before taxation	(2,170)	(3,949)	(45.05)
Loss after tax	(2,171)	(3,910)	(44.48)
Loss attributable to Ordinary Equity Holders of the parent	(2,386)	(4,020)	(40.65)

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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 January 2023, the Group recorded revenue of RM11.7 million as compared to RM11.6 million recorded in the previous quarter ended 31 October 2022. The Group's revenue increased more than 1.10% due to the increase in revenue contribution from ICT Malaysia division.

The Group recorded a loss before taxation of RM2.2 million for the current quarter ended 31 January 2023 as compared to loss before taxation of RM3.9 million recorded in the previous quarter ended 31 October 2022. The loss decreased in this quarter mainly due to decrease in operating expenses from the investment holding company.

### B2. Current year's prospect

The Management views that year 2023 will continue to be a challenging year due to the outbreak of Covid-19, current economic and politics 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.

On 29 September 2022, Medic Asset Group Sdn Bhd ("MAGSB"), a wholly-owned subsidiary of the Company had entered into a Conditional Share Sales Agreement ("CSSA") with Croske Hotels Sdn Bhd ("CHSB") and Flyboys Club Sdn Bhd ("FCSB") (collectively referred to as the vendors) for the proposed acquisition of the entire equity interest in Wings By Croske Resort Langkawi Sdn Bhd ("WINGS") 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.

On 8 March 2023, MAGSB, CHSB, FCSB and WINGS (collectively the "Parties") entered into a mutual termination agreement ("MTA"). The Parties have mutually agreed to terminate the CSSA according to the terms and conditions of the MTA as despite reasonable effort, there were certain conditions precedent of the CSSA which were unable to be satisfied by the respective Parties within twelve (12) months from the date of the CSSA.

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

However, on 10 March 2023, MAGSB had entered into a Conditional Sale and Purchase Agreement (“CSPA”) with WINGS for the proposed acquisition of the entire management right of a piece of land held under individual title H.S.(D) 110, PT 445, Bandar Padang Mat Sirat, Daerah Langkawi, Kedah measuring approximately 16,900 square metres together with the hotel known as Century One Helang Hotel Langkawi with 218 guest rooms and all the facilities (“the Management Rights of the said Property”) for a total purchase consideration of RM22.50 million to be satisfied via the issuance of 250,000 RCPS at an issue price of RM90.00 only per RCPS in MAGSB to the Vendor (“Proposed Acquisition”). The sale and purchase transaction has yet to be completed.

The Group intends to acquire WINGS to utilise the unexpired sublease rights of 66 years of a freehold land as a healthcare service facility for its health and wellness treatments and services. The Group will convert the commercial area within the Property into healthcare facilities and existing rooms within the property into suite rooms for customers of these health and wellness treatments and services. The Group intends to utilise the rooms within the Property as suite rooms for customers of these health and wellness treatments and services by December 2023.

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.

Moving forward, the Group will continue to expand their healthcare segment providing health and wellness treatments and services such as stem cell treatments, chronic illness management, medical screening as well as vaccination services.

The Management expects year 2023 will be challenging but remains confident with the business opportunities identified and will act cautiously to ensure continue business growth.

#### **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 31.01.23 <u>RM</u>	Year to date 31.01.23 <u>RM</u>
Depreciation of property, plant and equipment	1,186,576	2,393,473
Interest expense	201,199	448,639
Interest income	360,617	(70,520)
Unrealised loss on foreign exchange	771,039	115,839

**B5. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to-date	Preceding year corresponding period
	31.01.23 RM	31.01.22 RM	31.01.23 RM	31.01.22 RM
Current period's provision	-	2,271	-	33,345
Deferred tax provision	(1,711)	-	37,935	-
<b>Total</b>	<b>(1,711)</b>	<b>2,271</b>	<b>37,935</b>	<b>33,345</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.

**B7. Borrowings and debt securities**

Save as disclosed below, the Group does not have any loan outstanding or created, convertible debt securities, mortgages or charges outstanding as at 31 January 2023.

<b>Secured borrowings</b>	<b>Payable within 12 months (RM)</b>	<b>Payable after 12 months (RM)</b>
Denominated in: Malaysian Ringgit	5,001,064	8,514,441

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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 Lau Tian Kit**

**i. Kuala Lumpur High Court WA 22NC-210-04/2019: Coconut Three Sdn Bhd, Mazru Bin Mat Yusof and 1 other (“Appellant”) and Lau Tian Kit, Spaciouts Glory Sdn Bhd and 1 other (“Respondents”)**

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 2020 for Decision on 25 May 2020.

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

1. Coconut Three Sdn Bhd, Nexgram Holdings Berhad, Mazru and Leing Ti Kang jointly pay for RM150,000 and RM200,000 as General Damages and Aggravated Damages;
2. Coconut Three, Nexgram, Mazru and Leing Ti Kang separately pay for RM100,000 each as Exemplary Damage; and
3. Coconut Three, Nexgram, Mazru and Leing Ti Kang jointly pay for RM180,000 as legal costs.



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

**a) Legal suit with Lau Tian Kit (cont'd)**

**i. Kuala Lumpur High Court WA 22NC-210-04/2019: Coconut Three Sdn Bhd, Mazru Bin Mat Yusof and 1 other (“Appellant”) and Lau Tian Kit, Spaciouts Glory Sdn Bhd and 1 other (“Respondents”) (cont'd)**

The appellant has filed a Notice of Appeal against the said decision of the High Court to the Court of Appeal which next the case management on 6 October 2022. Subsequently, case management is 11 October 2022 and has fixed the case on 2 October 2022 for the appellant to file the stay of application. The appellant and respondents to file their respective written submission and Bundle of Authorities on 28 May 2023 and the case is fixed hearing on 12 June 2023.

**b) Legal Suit with Kenteam Sdn Bhd**

**Tri-G Technologies Sdn Bhd (“Plaintiff”) vs Kenteam Sdn Bhd (“Defendant”)**

The Plaintiff commenced a pre-action discovery suit against the Defendant to obtain necessary information and documents from the Defendant for a few transactions of sale of goods between the Plaintiff and the Defendant.

The hearing was fixed before the Honourable High Court Judicial Commissioner on 6 September 2022. On 6 September 2022, the Honourable High Court Judicial Commissioner allowed the Plaintiff to obtain the information and documents from the Defendant.

**c) Legal Suit with Perbadanan Bioteknologi Melaka**

**Tri-G Technologies Sdn Bhd (“Plaintiff”) vs Perbadanan Bioteknologi Melaka (“Defendant”)**

On 22 October 2021, the Plaintiff commenced a civil suit against the Defendant for the sum of RM729,135 to be paid by the Defendant for the items supplied by the Plaintiff which remains unpaid.

In the abovementioned suit, the Plaintiff claim against the Defendant for the following:-

1. A declaration that the purported termination of the said Agreement by the Defendant is wrongful;
2. A sum of RM729,135 or any other sum as assessed by this Honourable Court being the balance sum unpaid by the Defendant for the delivered items;

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
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**Tri-G Technologies Sdn Bhd (“Plaintiff”) vs Perbadanan Bioteknologi Melaka (“Defendant”) (cont'd)**

3. Loss of profit for 3 years being the Contract period amounting to RM19,877,080 or any other sums as assessed by the Honourable Court;
4. Interest at the rate of 5% per annum on the adjudged amount in paragraph 2 and 3 above from the date of judgement until full and final realisation;
5. Cost; and
6. Any other relief as deemed appropriate by this Honourable Court.

The suit is fixed for trial on 6 and 7 November 2023.

**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.

	<b>Current Quarter</b>	<b>Current Year to date</b>
Loss attributable to ordinary equity holders of the Company (RM)	(2,385,510)	(6,405,434)
Weighted average number of shares	4,416,680,945	4,416,680,945
Basic earnings per shares (sen)	(0.05)	(0.15)

**(b) Diluted**

Not applicable.