

**NEXGRAM HOLDINGS BERHAD**

(Company No. 660055-H)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 APRIL 2023**

**NEXGRAM HOLDINGS BERHAD**

Company No. 660055-H  
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 APRIL 2023**

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

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30 APRIL 2023 RM	PRECEDING YEAR CORRESPONDING QUARTER 30 APRIL 2022 RM	CURRENT YEAR TO-DATE 30 APRIL 2023 RM	PRECEDING YEAR CORRESPONDING PERIOD 30 APRIL 2022 RM
<b>Revenue</b>		9,751,567	9,016,052	33,084,786	26,872,469
Operating expenses		(10,149,244)	(12,669,084)	(37,813,697)	(32,986,258)
<b>Loss from operations</b>		<u>(397,677)</u>	<u>(3,653,032)</u>	<u>(4,728,911)</u>	<u>(6,113,789)</u>
Depreciation		(517,901)	(661,142)	(2,911,338)	(1,297,962)
Share of (loss)/profit from an associate		(477,947)	249,434	506,167	556,495
Finance costs		(310,025)	(67,826)	(758,664)	(223,144)
Interest income		60,468	102,436	130,988	129,761
<b>Loss before taxation</b>		<u>(1,643,082)</u>	<u>(4,030,130)</u>	<u>(7,761,758)</u>	<u>(6,948,639)</u>
Taxation	B5	(319,698)	2,779	(282,303)	33,853
<b>Loss for the period</b>		<u>(1,962,780)</u>	<u>(4,027,351)</u>	<u>(8,044,061)</u>	<u>(6,914,786)</u>
<b>Other comprehensive loss, net of tax</b>					
Foreign currency translation available-for-sale financial assets		7,945,132	4,715,594	(15,060,030)	1,813,289
Loss on fair value changes of equity investment		(591,059)	-	(591,059)	(364,368)
		<u>7,354,073</u>	<u>4,715,594</u>	<u>(15,651,089)</u>	<u>1,448,921</u>
<b>Total comprehensive profit/(loss) for the period, net of tax</b>		<u>5,391,293</u>	<u>688,243</u>	<u>(23,695,150)</u>	<u>(5,465,865)</u>
<b>Loss for the period attributable to:</b>					
Equity holders of the Company		(2,161,502)	(3,195,296)	(8,566,937)	(6,082,731)
Non-controlling interests		198,722	(832,055)	522,876	(832,055)
<b>Loss for the period</b>		<u>(1,962,780)</u>	<u>(4,027,351)</u>	<u>(8,044,061)</u>	<u>(6,914,786)</u>
<b>Total comprehensive profit/(loss) attributable to:</b>					
Equity holders of the Company		5,192,571	1,520,298	(24,218,026)	(4,633,810)
Non-controlling interests		198,722	(832,055)	522,876	(832,055)
<b>Total comprehensive profit/(loss) for the period</b>		<u>5,391,293</u>	<u>688,243</u>	<u>(23,695,150)</u>	<u>(5,465,865)</u>
Earnings per share attributable to equity holders of the Company:-					
- Basic (sen)	B12	<u>(0.05)</u>	<u>(0.07)</u>	<u>(0.19)</u>	<u>(0.13)</u>
- 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 18)

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 APRIL 2023**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>AT 30 APRIL 2023 (UNAUDITED) RM</b>	<b>AT 31 JULY 2022 (AUDITED) RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	40,736,051	32,137,779
Investment properties	46,100,000	46,100,000
Intangible assets	1,128,166	78,676
Goodwill on consolidation	16,771,187	16,771,187
Investment in associate	1,881,206	1,416,630
Other investments	6,909,811	7,740,049
Right of use asset	8,408,600	15,267,576
<b>Total non-current assets</b>	<b>121,935,021</b>	<b>119,511,897</b>
<b>Current assets</b>		
Inventories	7,575,779	5,612,706
Receivables	8,216,609	7,404,495
Tax recoverable	306,338	131,169
Amount owing by an associate	2,290,844	-
Fixed deposits with licensed banks	11,677,400	14,823,593
Cash and bank balances	2,131,564	4,058,307
<b>Total current assets</b>	<b>32,198,534</b>	<b>32,030,270</b>
<b>Total assets</b>	<b>154,133,555</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	617,951	742,512
Accumulated losses	(26,765,036)	(18,260,589)
Shareholders' funds	83,261,422	91,890,430
Non controlling interests	3,628,899	3,268,168
<b>Total equity</b>	<b>86,890,321</b>	<b>95,158,598</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	9,912,546	8,973,242
Lease liability payable	174,402	3,769,955
Deferred tax liabilities	2,647,656	2,722,569
<b>Total non-current liabilities</b>	<b>12,734,604</b>	<b>15,465,766</b>
<b>Current liabilities</b>		
Payables	42,580,434	27,548,709
Amount owing to directors	7,785,043	3,531,369
Loans and borrowings	3,606,471	6,030,680
Lease liability payable	255,161	3,525,523
Tax payables	281,521	281,522
<b>Total current liabilities</b>	<b>54,508,630</b>	<b>40,917,803</b>
<b>Total liabilities</b>	<b>67,243,234</b>	<b>56,383,569</b>
<b>Total equity and liabilities</b>	<b>154,133,555</b>	<b>151,542,167</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (sen)</b>	<b>2</b>	<b>3</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 18)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 APRIL 2023

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

	----- Attributable to owners of the parent ----->								Distributable			
	Non-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	-	-	(137,278)	12,511	-	15,060,236	-	-	62,490	14,997,959	-	14,997,959
Total transactions with owners	-	-	(137,278)	12,511	-	15,060,236	-	-	62,490	14,997,959	-	14,997,959
Loss for the financial period	-	-	-	-	-	-	-	-	(8,566,937)	(8,566,937)	522,876	(8,044,061)
Other comprehensive expenses for the financial year	-	-	-	-	-	(15,060,030)	-	-	-	(15,060,030)	(162,145)	(15,222,175)
Total comprehensive expense	-	-	-	-	-	(15,060,030)	-	-	(8,566,937)	(23,626,967)	360,731	(23,266,236)
<b>Balance as at 30 April 2023</b>	<b>109,408,507</b>	<b>1,903,140</b>	<b>(2,035,457)</b>	<b>2,156,585</b>	<b>(245,000)</b>	<b>(4,473,614)</b>	<b>-</b>	<b>3,312,297</b>	<b>(26,765,036)</b>	<b>83,261,422</b>	<b>3,628,899</b>	<b>86,890,321</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	<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>(4,473,820)</b>	<b>-</b>	<b>3,312,297</b>	<b>(18,260,589)</b>	<b>91,890,430</b>	<b>3,268,168</b>	<b>95,158,598</b>

(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 18)

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

	CUMULATIVE QUARTER	
	CURRENT YEAR TO-DATE 30 APRIL 2023	PRECEDING YEAR TO-DATE 30 APRIL 2022
	RM	RM
<b>Cash flows from operating activities</b>		
Loss before taxation	(7,761,758)	(6,948,639)
Adjustments for non-cash flow:		
Non-cash items	9,843,132	(786,170)
Finance costs	758,664	(222,145)
Interest income	(130,988)	(129,761)
Dividend income	(108,984)	-
Operating profit/(loss) before working capital changes	<u>2,600,066</u>	<u>(8,086,715)</u>
Changes in working capital:		
Net change in current assets	(5,066,029)	15,460,616
Net change in current liabilities	15,031,722	4,738,567
Cash generated from operations	<u>12,565,759</u>	<u>12,112,468</u>
Interest paid	(758,664)	222,145
Tax paid	336,066	(97,438)
Tax refund	-	12,970
<b>Cash generated from operating activities</b>	<u>12,143,161</u>	<u>12,250,145</u>
<b>Cash flows from investing activities</b>		
Acquisition of intangible assets	(1,061,400)	(28,523)
Purchase of property, plant and equipment	(9,600,377)	(3,091,203)
Purchase of quoted investment	-	(513,754)
Dividend received	108,984	132,419
Interest received	130,988	129,761
Withdrawn/(Placement) of fixed deposits	3,146,193	(219,115)
<b>Net cash used in investing activities</b>	<u>(7,275,612)</u>	<u>(3,590,416)</u>
<b>Cash flows from financing activities</b>		
Conversion of irredeemable convertible preference share	-	14,833,742
Redemption of redeemable convertible preference share	-	(13,117,553)
Advance/(Repayment) in amount due from Directors	4,253,674	(142,983)
Repayment of lease liabilities	(6,865,915)	(246,893)
Repayment of hire purchase creditors	(327,707)	(23,188)
Repayment of borrowings	(2,630,046)	(3,223,458)
Drawdown/(Repayment) of term loans	1,452,082	(48,883)
<b>Net cash used in financing activities</b>	<u>(4,117,912)</u>	<u>(1,969,215)</u>
<b>Net increase in cash and cash equivalents</b>	749,637	6,690,514
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>12,856,788</u>	<u>20,524,678</u>
<b>Cash and cash equivalents comprise of :-</b>		
Cash and bank balances	2,131,564	7,304,890
Fixed deposit with a licensed bank	11,677,400	13,795,887
Bank overdraft	(952,176)	(576,099)
	<u>12,856,788</u>	<u>20,524,678</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 18)

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NOTES TO THE INTERIM FINANCIAL REPORT

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

**A1. Basis of preparation**

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

The interim financial report should be read in conjunction with the latest audited financial statements of Nexgram Holdings Berhad (“Nexgram” or the “Company”) and its subsidiaries (“Group”) for the financial year ended 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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**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, or repayment of debt and equity securities of the Company for the current quarter under review except the 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 issue 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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**A6. Debts and equity securities (cont'd)**

<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	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.

On 31 May 2023, the Company completed the proposed Debt Settlement amounting to RM29,592,144 through the issuance of 177,552,700 New ICPS at the issue price of RM0.05 each and 207,145,090 Settlement Shares at the issue price of RM0.10 each under three (3) separate settlement agreements entered with each creditor; Dato' Yek Siew Lee, Travix Design & Renovation Sdn Bhd, and Midland Sands Sdn Bhd.

**A7. Dividend paid**

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



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**A8. Segmental information**

The segmental analysis of revenue and profit before taxation of the Group for the financial period ended 30 April 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	-	27,788,340	-	194,814	3,726,354	1,584,312	(209,034)	33,084,786
(Loss)/ Profit before taxation	(5,345,873)	2,343,449	(601,539)	(325,928)	(892,437)	(2,939,430)	-	(7,761,758)

**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 30 April 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 fulfil 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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**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 been completed.

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

There were no changes in the composition of the Group during the financial period ended 30 April 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>10,303,935</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 (3rd Quarter)		Changes %	Cumulative Period		Changes %
	Current Quarter	Preceding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	30 Apr 2023 RM'000	30 Apr 2022 RM'000		30 Apr 2023 RM'000	30 Apr 2022 RM'000	
Revenue	9,752	9,016	8.16	33,085	26,872	23.12
Loss from operation	(398)	(3,653)	(89.10)	(4,729)	(6,114)	(22.65)
Loss before interest and tax	(1,394)	(4,065)	(65.71)	(7,134)	(6,855)	4.07
Loss before taxation	(1,643)	(4,030)	(59.23)	(7,762)	(6,949)	11.70
Loss for the period	(1,963)	(4,027)	(51.25)	(8,044)	(6,915)	(16.33)
Loss attributable to Ordinary Equity Holders of the parent	(2,162)	(3,195)	(32.33)	(8,567)	(6,083)	(40.84)

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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 RM9.8 million in the current 3-month financial period ended 30 April 2023 compared to RM9.0 million reported in the previous year's corresponding period. The Group's revenue increased by 8.16% due to the increase in revenue contribution from the ICT Malaysia division.

The Group recorded a loss before taxation of RM1.6 million for the current 3-month financial period ended 30 April 2023 compared to a loss before taxation of RM4.0 million reported in the preceding year's corresponding period. The loss before tax decreased by 59.23% due to the increase in revenue contributed from ICT Malaysia division.

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

The Group recorded revenue of RM33.1 million in the current 9-month financial period ended 30 April 2023 compared to RM26.9 million reported in the previous year's corresponding period. The Group revenue increased by 23.12% due to the increase in revenue contribution from the ICT Malaysia division.

The Group recorded a loss before taxation of RM7.8 million for the current 9-month financial period ended 30 April 2023 compared to a loss before taxation of RM6.9 million reported in the preceding year's corresponding period. The increase in loss before taxation recorded in the current quarter was mainly attributed by the increase in professional fees for corporate exercise of investment holding company.

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

	<b>Current Quarter</b> <b>30 Apr 2023</b> <b>RM'000</b>	<b>Immediate</b> <b>Preceding</b> <b>Quarter</b> <b>31 Jan 2023</b> <b>RM'000</b>	<b>Changes</b> <b>%</b>
Revenue	9,752	11,731	(16.87)
Loss from operations	(398)	(1,515)	(73.73)
Loss before interest and tax	(1,394)	(1,608)	(13.31)
Loss before taxation	(1,643)	(2,170)	(24.29)
Loss after tax	(1,963)	(2,171)	(9.58)
Loss attributable to Ordinary Equity Holders of the parent	(2,162)	(2,386)	(9.39)

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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 30 April 2023, the Group recorded revenue of RM9.75 million compared to RM11.73 million recorded in the previous quarter ended 31 January 2023. The Group's revenue decreased by 16.87% due to the decrease in revenue contribution from healthcare division.

The Group recorded a loss before taxation of RM1.6 million for the current quarter ended 30 April 2023, as compared to loss before taxation of RM2.2 million recorded in the previous quarter ended 31 January 2023. The loss decreased in this quarter due to the written-off of the right-of-use asset but mitigated by the increase in revenue from ICT division.

**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.

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

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

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

	<b>Quarter ended</b> <b>30.04.23</b> <b><u>RM</u></b>	<b>Year to date</b> <b>30.04.23</b> <b><u>RM</u></b>
Depreciation of property, plant and equipment	517,901	2,911,502
Interest expense	310,026	758,664
Interest income	(60,468)	(130,988)
Unrealised loss on foreign exchange	64,102	51,737
Realised gain on foreign exchange	<u>(43)</u>	<u>(43)</u>

**B5. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to-date	Preceding year corresponding period
	<b>30.04.23</b> <b>RM</b>	<b>30.04.22</b> <b>RM</b>	<b>30.04.23</b> <b>RM</b>	<b>30.04.22</b> <b>RM</b>
Current period's provision	(336,066)	2,779	(336,066)	33,853
Deferred tax provision	16,368	-	53,763	-
<b>Total</b>	<b>(319,698)</b>	<b>2,779</b>	<b>(282,303)</b>	<b>33,853</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.

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**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 30 April 2023.

<b>Secured borrowings</b>	<b>Payable within 12 months (RM)</b>	<b>Payable after 12 months (RM)</b>
Denominated in: Malaysian Ringgit	3,606,471	9,912,546

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.



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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)**

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.

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 on 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 for hearing on 20 November 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.

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

**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;
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.

**d) Winding-up petition served by CIMB Islamic Bank Berhad (“petitioner”) against Nextnation Datacity Sdn Bhd (“Respondents”)**

On 16 May 2023, NDSB, the wholly owned subsidiary of NHB had received the winding up petition ("Petition") served by CIMB Islamic Bank Berhad ("Petitioner"). The Petition was presented by the Petitioner to the High Court of Malaya at Kuala Lumpur on 11 May 2023.

NDSB was indebted to the Petitioner for the sum of RM8,664,908.80 as at 8 March 2023, being an amount due under the Judgement dated 3 February 2023 obtained by the Petitioner at the High Court at Kuala Lumpur. NDSB had failed and neglected to pay or satisfy the said sum or any part thereof to the Petitioner.

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

e) Winding-up petition served by CIMB Islamic Bank Berhad (“petitioner”) against Nextnation Datacity Sdn Bhd (“Respondents”) (cont'd)

Pursuant to the Petition, the Petitioner claimed the following from the Respondent:

1. Total outstanding amount of RM8,629,635.31;
2. Interest rate at 1% per annum on a total of RM5,471,777.63 from 28 September 2022 to the date of full settlement; and
3. Other cost RM2,147.00

The Petition is fixed for Case Management on 5 July 2023 and the Hearing for the Winding-Up Petition is fixed on 6 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)	(2,161,502)	(8,566,937)
Weighted average number of shares	4,416,680,945	4,416,680,945
Basic earnings per shares (sen)	(0.05)	(0.19)

(b) Diluted

Not applicable.