

NEXGRAM HOLDINGS BERHAD

(Company No. 660055-H)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SIXTH QUARTER ENDED 31 JANUARY 2024**

NEXGRAM HOLDINGS BERHAD

Company No. 660055-H
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SIXTH QUARTER
ENDED 31 JANUARY 2024

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT PERIOD QUARTER 31 JANUARY 2024 RM	PRECEDING YEAR CORRESPONDING QUARTER 31 JANUARY 2023 RM	CURRENT PERIOD TO-DATE 31 JANUARY 2024 RM	PRECEDING YEAR CORRESPONDING PERIOD 31 JANUARY 2023 RM
Revenue		11,552,486	-	83,637,454	-
Operating expenses		(16,356,694)	-	(100,274,830)	-
Loss from operations		(4,804,208)	-	(16,637,376)	-
Depreciation		(888,462)	-	(6,427,289)	-
Share of profit from an associate		468,343	-	460,931	-
Finance costs		(305,643)	-	(1,615,546)	-
Interest income		157,764	-	485,382	-
Loss before taxation		(5,372,206)	-	(23,733,898)	-
Taxation	B5	(504,804)	-	(1,496,480)	-
Loss for the period		(5,877,010)	-	(25,230,378)	-
Other comprehensive income, net of tax					
Foreign currency translation		(570,601)	-	37,393	-
Gain on revaluation of properties		-	-	-	-
Loss on fair value changes of equity investment		-	-	-	-
		(570,601)	-	37,393	-
Total comprehensive expense for the period, net of tax		(6,447,611)	-	(25,192,985)	-
Loss for the period attributable to:					
Equity holders of the Company		(5,238,186)	-	(26,133,252)	-
Non-controlling interests		(638,824)	-	902,874	-
Loss for the period		(5,877,010)	-	(25,230,378)	-
Total comprehensive expense attributable to:					
Equity holders of the Company		(5,808,787)	-	(26,095,859)	-
Non-controlling interests		(638,824)	-	902,874	-
Total comprehensive expense for the period		(6,447,611)	-	(25,192,985)	-
Earnings per share attributable to equity holders of the Company:-					
- Basic (sen)	B12	(0.98)	-	(4.88)	-
- 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 19)

The financial year end of the Group has been changed from 31 July to 31 January. As such, there will be no comparative financial information available for the financial period ended 31 January 2024.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	AT 31 JANUARY 2024 (UNAUDITED) RM	AT 31 JULY 2022 (AUDITED) RM
ASSETS		
Non-current assets		
Property, plant and equipment	36,893,205	32,137,779
Investment properties	46,100,000	46,100,000
Intangible asset	-	78,676
Goodwill on consolidation	7,519,264	16,771,187
Investment in an associate	1,877,560	1,416,630
Other investments	6,857,721	7,740,049
Right of use assets	8,803,915	15,267,576
Total non-current assets	<u>108,051,665</u>	<u>119,511,897</u>
Current assets		
Inventories	5,298,074	5,612,706
Receivables	39,369,911	7,404,495
Tax recoverable	198,349	131,169
Fixed deposits with licensed banks	8,308,733	14,823,593
Cash and bank balances	2,596,603	4,058,307
Assets held for sale	35,000	-
Total current assets	<u>55,806,670</u>	<u>32,030,270</u>
Total assets	<u><u>163,858,335</u></u>	<u><u>151,542,167</u></u>
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the parent:		
Share capital	130,622,990	109,408,507
Reserves	11,370,215	742,512
Accumulated losses	(42,551,307)	(18,260,589)
Shareholders' funds	99,441,898	91,890,430
Non controlling interests	4,171,044	3,268,168
Total equity	<u>103,612,942</u>	<u>95,158,598</u>
LIABILITIES		
Non-current liabilities		
Loans and borrowings	8,887,692	8,973,242
Lease liability payables	180,765	3,769,955
Deferred tax liabilities	3,884,478	2,722,569
Total non-current liabilities	<u>12,952,935</u>	<u>15,465,766</u>
Current liabilities		
Payables	18,731,262	27,548,709
Redeemable Convertible Preference Shares	18,264,095	-
Amount owing to directors	5,385,931	3,531,369
Loans and borrowings	4,236,289	6,030,680
Lease liability payables	102,267	3,525,523
Tax payables	572,614	281,522
Total current liabilities	<u>47,292,458</u>	<u>40,917,803</u>
Total liabilities	<u>60,245,393</u>	<u>56,383,569</u>
Total equity and liabilities	<u><u>163,858,335</u></u>	<u><u>151,542,167</u></u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	<u>18.58</u>	<u>2.11</u>

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 July 2022 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 19)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SIXTH QUARTER
ENDED 31 JANUARY 2024

CONDENSED CONSOLIDATED STATEMENT 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
Prior period adjustment	-	-	-	-	-	-	-	-	(98,000)	(98,000)	-	(98,000)
Balance at 1 August 2022	109,408,507	1,903,140	(1,898,179)	2,144,074	(245,000)	(4,473,820)	-	3,312,297	(18,358,589)	91,792,430	3,268,168	95,060,598
Total comprehensive (expenses)/income for the financial year:-												
Loss for the financial year	-	-	-	-	-	-	-	-	(26,133,252)	(26,133,252)	902,876	(25,230,376)
Other comprehensive income for the financial year	-	-	(400,788)	376,281	-	458,427	-	-	37,394	471,314	-	471,314
Total comprehensive income/(expenses)	-	-	(400,788)	376,281	-	458,427	-	-	(26,095,858)	(25,661,938)	902,876	(24,759,062)
Transaction with owners:												
- Issuance of ordinary shares	21,214,483	-	-	-	-	-	-	-	-	21,214,483	-	21,214,483
- Issuance of ICPS	-	-	-	-	-	-	8,877,635	-	-	8,877,635	-	8,877,635
- Issuance of RCPS	-	-	-	-	-	-	-	3,219,288	-	3,219,288	-	3,219,288
- Expiry of warrants	-	(1,903,140)	-	-	-	-	-	-	1,903,140	-	-	-
Total transactions with owners	21,214,483	(1,903,140)	-	-	-	-	8,877,635	3,219,288	1,903,140	33,311,406	-	33,311,406
Balance as at 31 January 2024	<u>130,622,990</u>	<u>-</u>	<u>(2,298,967)</u>	<u>2,520,355</u>	<u>(245,000)</u>	<u>(4,015,393)</u>	<u>8,877,635</u>	<u>6,531,585</u>	<u>(42,551,307)</u>	<u>99,441,898</u>	<u>4,171,044</u>	<u>103,612,942</u>
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 (expenses)/income for the financial year	-	-	(453,779)	29,195	-	(544,773)	-	-	-	(969,357)	12,512	(956,845)
Total comprehensive (expenses)/income	-	-	(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	<u>109,408,507</u>	<u>1,903,140</u>	<u>(1,898,179)</u>	<u>2,144,074</u>	<u>(245,000)</u>	<u>(4,473,820)</u>	<u>-</u>	<u>3,312,297</u>	<u>(18,260,589)</u>	<u>91,890,430</u>	<u>3,268,168</u>	<u>95,158,598</u>

(The Unaudited Condensed Consolidated Statement 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 19)

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SIXTH QUARTER
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	CUMULATIVE QUARTER	
	CURRENT PERIOD TO-DATE 31 JANUARY 2024 RM	PRECEDING PERIOD TO-DATE 31 JANUARY 2023 RM
Cash flows for operating activities		
Loss before taxation	(23,733,898)	-
Adjustments for non-cash flow:		
Non-cash items	19,117,899	-
Finance costs	1,615,546	-
Interest income	(485,382)	-
Dividend income	(206,682)	-
Operating loss before working capital changes	<u>(3,692,517)</u>	<u>-</u>
Changes in working capital:		
Net change in current assets	(11,136,329)	-
Net change in current liabilities	10,144,329	-
Cash used in operations	<u>(4,684,517)</u>	<u>-</u>
Interest paid	(1,615,546)	-
Tax paid	(511,858)	-
Cash used in from operating activities	<u>(6,811,921)</u>	<u>-</u>
Cash flows for investing activities		
Placement of fixed deposits pledged to bank	(1,539,370)	-
Dividend received	206,682	-
Interest received	485,382	-
Proceeds from disposal of property, plant and equipment	52,500	-
Purchase of property, plant and equipment	(1,569,116)	-
Disposal of investment in quoted shares	870,174	-
Withdrawal of fixed deposits	5,751,561	-
Cash generated from investing activities	<u>4,257,813</u>	<u>-</u>
Cash flows from financing activities		
Advances from directors	1,854,562	-
Issuance of ordinary shares	499,974	-
Drawdown of loans and borrowing	(1,798,206)	-
Net cash generated from financing activities	<u>556,330</u>	<u>-</u>
Net decrease in cash and cash equivalents	(1,997,778)	-
Effect of foreign exchange rate changes	(368,502)	-
Cash and cash equivalents at beginning of period	12,107,151	-
Cash and cash equivalents at end of period	<u>9,740,871</u>	<u>-</u>
Cash and cash equivalents comprise of :-		
Cash and bank balances	8,308,733	-
Fixed deposits with licensed banks	2,596,603	-
Bank overdrafts	(487,941)	-
	<u>10,417,395</u>	<u>-</u>
Fixed deposits with tenure more than 3 months and pledged to licensed banks	(676,524)	-
	<u>9,740,871</u>	<u>-</u>

(The Unaudited Condensed Consolidated Statement of Cash Flows 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 19)

The financial year end of the Group has been changed from 31 July to 31 January. As such, there will be no comparative financial information available for the financial period ended 31 January 2024.

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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
Amendment to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 112	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 107 and MFRS 7	Supplier Finance Arrangements
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants

Effective for financial period beginning on or after 1 January 2025

Amendments to MFRS 121	Lack of Exchangeability
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Effective date to be determined by Malaysian Accounting Standards Board

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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A1. Basis of preparation (cont'd)

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.

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 number 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 the following: -

- a) On 28 December 2023 and 5 February 2024, the Company share capital increased from private placement under first and second tranches. Total number of ordinary shares issued under the private placement is 14,492,000 ordinary shares and 50,371,900 ordinary shares, with the latest issued number of share capital after taken into consideration of the abovementioned private placement is amounting to 64,863,900 ordinary shares. Upon taken into consideration of the private placement, the total allotted shares amounting to 713,676,483 ordinary shares in the market; and

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A6. Debts and equity securities (cont'd)

- b) The Company share capital increased from conversion of Irredeemable Convertible Preference Shares (“ICPS”) to ordinary shares as follows:

Date	No of ordinary shares
8 March 2024	4,000,000
18 March 2024	36,800,000
26 March 2024	27,000,000
Total	67,800,000

Upon taken into consideration of the conversion of ICPS, the total allotted shares amounting to 781,476,483 ordinary shares in the market.

A7. Dividend paid

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

A8. Segmental information

The segmental analysis of revenue and loss before taxation of the Group for the financial period ended 31 January 2024 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	-	74,183,949	206,682	270,000	7,679,973	1,566,850	(270,000)	83,637,454
(Loss)/ Profit before taxation	(720,390)	4,049,645	(357,557)	(5,290,922)	(978,828)	(8,933,062)	(11,502,784)	(23,733,898)

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.

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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 2024.

A12. Changes in composition of the Group

There were no changes in the composition of the Group during the financial period ended 31 January 2024.

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 except the following:

<u>Contingent liability:</u>	RM
Corporate guarantee granted to subsidiary companies	<u>10,471,470</u>

A14. Capital commitments

There were no capital commitments during the period under review.

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

B1. Review of performance

(a) Overall review of the Group's financial performance

	Individual Period	Cumulative Period
	Current Quarter	Current Year To-date
	31 January 2024	31 January 2024
	RM'000	RM'000
Revenue	11,552	83,637
Loss from operation	(4,804)	(16,637)
Loss before interest and tax	(5,224)	(22,604)
Loss before taxation	(5,372)	(23,734)
Loss for the period	(5,877)	(25,230)
Loss attributable to Ordinary Equity Holders of the parent	(5,238)	(26,133)

The Group recorded a revenue of RM83.64 million for the financial period ended 31 January 2024. The Group's revenue is mainly derived from the ICT Malaysia division which represented approximately 88.70% of the total revenue of the Group. The other revenue is derived from Logistics and Healthcare division.

The Group recorded a loss before taxation of RM23.73 million in the current financial period and were mainly derived from recognition of impairment loss on goodwill of a subsidiary of RM9.25 million at investment holding company division, depreciation charges of property, plant and equipment of RM4.61 million, depreciation of right-of-use asset of RM1.82 million, impairment loss on receivables RM2.03 million and write off of intangible assets of RM1.11 million at healthcare division.

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B1. Review of performance (cont'd)

(b) Performance of the current quarter against the preceding quarter

	Current Quarter 31 Jan 2024 RM'000	Immediate Preceding Quarter 31 Oct 2023 RM'000	Changes %
Revenue	11,552	24,192	(52.25)
(Loss)/Profit from operations	(4,804)	5,421	(188.62)
(Loss)/Profit before interest and tax	(5,224)	4,138	(226.24)
(Loss)/Profit before taxation	(5,372)	3,872	(238.74)
(Loss)/Profit for the period	(5,877)	2,780	(311.40)
(Loss)/Profit attributable to Ordinary Equity Holders of the parent	(5,238)	1,690	(409.94)

For the current quarter ended 31 January 2024, the Group recorded revenue of RM11.55 million compared to RM24.19 million recorded in the previous quarter ended 31 Oct 2023. The Group's revenue decreased by 52.25% due to the decrease in revenue contribution from ICT Malaysia division.

The Group recorded a loss before taxation of RM5.37 million for the current quarter ended 31 January 2024, as compared to a profit before taxation of RM3.87 million recorded in the previous quarter ended 31 Oct 2023. The profit recorded in the preceding quarter was due to increase in revenue contribution from ICT Malaysia division.

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B2. Current year's prospect

The Management views that financial period ending 2024 expect to expand at a moderate pace. Slower external demand will continue to weigh on economic activity particularly for the export-oriented sectors. Growth for the remainder of the period will continue to be driven by resilient domestic demand. The Group will continue to involve in the trading, distribution and maintenance 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 hospitality industry 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.

However, on 9 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.

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.

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

The upcoming year will be a tougher year as the economic is in the process of recovery from the endemic of COVID-19, currency downturn and rise of commodity price. However, our objective remains unchanged. Sensorlink Group is focusing on video surveillance and cybersecurity especially in financial sector to provide excellent service to the end users. In the upcoming year, we will venture into data centre project for physical security and IT infrastructure solution. We believe that Malaysia will becoming the next regional data centre hub. Continuously effort and engagement of new business development team allows us to tender government projects and secure government retrofit projects relate to security surveillance and IT infrastructure. Sensorlink Group will be investing in new businesses to develop own local brand access control system, time attendance and visitor management system to capture new market share and increase the company product portfolio.

The Management expects financial year ending 2025 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 period as at the date of the report.

B4. Loss before taxation is stated after charging/(crediting):

	Quarter ended 31 January 2024 <u>RM</u>	Year to date 31 January 2024 <u>RM</u>
Depreciation charges	888,462	6,427,289
Interest expense	305,643	1,615,546
Interest income	(157,764)	(485,382)
Unrealised loss on foreign exchange	47,723	47,376
Realised loss on foreign exchange	21,381	57,116

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B5. Taxation

	Individual Quarter	Cumulative Quarter
	Current period quarter	Current period to- date
	31 January 2024 RM	31 January 2024 RM
Current period provision	543,032	1,469,967
Deferred tax provision	(38,228)	26,513
Total	504,804	1,496,480

B6. Status of corporate proposals and utilisation of proceeds

As at the date of the report, there were no other corporate proposals announced by the Company and pending for completion except the following: -

On 31 October 2023, the Company through its advisor, TA Securities Holdings Berhad (“TA”), had announced that the Company proposes to undertake the Proposed Private Placement of up to 10% of the number of issued shares in the Company (“Placement Shares”) (excluding treasury shares) pursuant to the general mandate obtained from the Company’s shareholders up to 94,264,400 Placement Shares in Nexgram.

On 27 November 2023, the Company through its advisor, TA, had announced that the additional information in relation to the Proposed Private Placement.

On 30 November 2023, the Company through its advisor, TA, had announced that Bursa Securities had, vide its letter dated 30 November 2023, approved the listing and quotation of up to 94,264,400 Placement Shares to be issued pursuant to the Proposed Private Placement.

On 20 December 2023, the Company through its advisor, TA, had announced (“Price-fixing Date”) fixed the issue price for the first tranche of the Private Placement at RM0.0345 per Placement Share (“Issue Price”). On 27 December 2023, the Company had issued 14,492,000 ordinary shares at an issue price of RM0.0345 per share under first tranche of Private Placement, which managed to raise proceeds of RM499,974.00. The ordinary shares were listed on the ACE Market of Bursa Securities Berhad on 28 December 2023.

On 23 January 2024, the Company through its advisor, TA, had announced Price-fixing Date for the second and final tranche of the Private Placement at RM0.0290 per Issue Price. On 2 February 2024, the Company had issued 50,371,900 ordinary shares at an issue price of RM0.0290 per share under second and final tranche of Private Placement, which managed to raise proceeds of RM1,460,785.10. The ordinary shares were listed on the ACE Market of Bursa Securities Berhad on 5 February 2024.

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

The status of the utilisation of proceeds of RM1,960,759.10 from the private placement as at to date are as follows:

	Proposed Utilisation		Actual Utilisation			Intended timeframe for utilisation
	Min RM'000	Max RM'000	1 st tranche RM'000	2 nd tranche RM'000	Total RM'000	
Payment of the outstanding professional fees to the relevant professionals	641	865	128	737	865	Within one (1) month
Repayment of bank borrowings	500	700	210	-	210	Within one (1) month
Working capital requirements of the Group	326	607	92	528	620	Within six (6) months
Estimated expenses for the Proposed Private Placement	90	90	70	7	77	Immediately
Total proceeds	1,557	2,262	500	1,272	1,772	

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 2024.

Secured borrowings	Payable within 12 months (RM)	Payable after 12 months (RM)
Denominated in: - Malaysian Ringgit	4,236,289	8,887,692

The above borrowings are in the Malaysian currency. There has been no default on payment of either interest and/or principal sum, in respect of the abovementioned borrowings throughout the past one (1) financial year.

B8. Off balance sheet financial instruments

The Group does not have any off-balance sheet financial instruments as at the date of the report.

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B9. Material litigation

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

a) Legal suit with Spaciouts Glory Sdn Bhd

Coconut Three Sdn Bhd, Nexgram Holdings Berhad, Mazru Bin Mat Yusof and Leing Ti Kang (“Appellant”) and Lau Tian Kit and Spaciouts Glory Sdn Bhd (“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.

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 was fixed for hearing on 20 November 2023.

The Court has fixed the next hearing date on 30 October 2024.

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B9. Material litigation (cont'd)

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”)

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 was fixed for trial on 6 and 7 November 2023.

On 6 November 2023, the Court had postponed the trial for both parties to discuss on the settlement and fixed the new trial date on 29 February 2024.

On 29 February 2024, the Court had postponed the trial for both parties to refer and complete the mediation and fixed the new trial by way of e-Review on 2 May 2024.

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B9. Material litigation (cont'd)

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

On 16 May 2023, Nextnation Datacity Sdn. Bhd. ("NDSB"), the wholly owned subsidiary of Nexgram Holdings Berhad ("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.

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 was fixed for Case Management on 5 July 2023 and the Hearing for the Winding-Up Petition was fixed on 6 November 2023.

On 6 November 2023, the High Court had granted extension of time for 1 month for the parties to discuss for settlement and fixed the new Hearing date on 13 December 2023.

On 13 December 2023, the High Court had granted further extension of time for two (2) months to settle the debt and fixed the new Hearing date on 26 February 2024.

On 26 February 2024, the High Court had allowed the winding up petition and given winding up orders against NDSB with the cost of RM5,000.00.

On 4 March 2024, NDSB had filed the Notice of Motion together with the Affidavit in Support, the High Court had fixed for Case Management on 19 March 2024.

On 19 March 2024, the High Court had given the direction to the Petitioner and/or the liquidator to file Affidavit in Reply on or before 2 April 2024; NDSB to file Affidavit in Reply on or before 16 April 2024 and the next Case Management is fixed on 23 April 2024.

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B9. Material litigation (cont'd)

e) **Legal suit with Maybank Islamic Berhad**

Maybank Islamic Berhad (“Plaintiff”) vs Tri-G Technologies Sdn. Bhd., Nor Halim bin Ahmad Sayuni and Nexgram Holdings Berhad (“Defendant”)

On 18 August 2023, Tri-G Technologies Sdn. Bhd. received Writ of Summon from Plaintiff regarding the outstanding balance of Commodity Murabahah Term Financing-i worth RM1,771,628.31 as at 31st May 2023.

If unable to pay by 13 October 2023, Plaintiff will take action to wind up NHB as the guarantor.

On 20 October 2023, Plaintiff has agreed to settle by paying monthly repayment of RM100,000 for 6 months effective from November 2023 until April 2024. Subsequently, the repayment arrangement will be reviewed in March 2024 for an increase repayment amount.

B10. Dividend

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

B11. Change of financial year end

On 20 November 2023, the Company had announced that it has changed its financial year end from 31 July to 31 January. Therefore, the Group’s current financial reporting period shall be eighteen (18) months commencing from 1 August 2022 to 31 January 2024.

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B12. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the net loss for the period by the weighted average number of ordinary shares in issue during the period.

	Current Quarter	Current Year to date
Loss attributable to Ordinary Equity holders of the Company (RM)	(5,238,186)	(26,133,252)
Weighted average number of shares	535,177,119	535,177,119
Basic earnings per share (sen)	(0.98)	(4.88)

(b) Diluted

Not applicable.