

NEXGRAM HOLDINGS BERHAD

(Company No. 660055-H)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 30 APRIL 2024**

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

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER
ENDED 30 APRIL 2024**

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT PERIOD QUARTER 30 APRIL 2024 RM	PRECEDING YEAR CORRESPONDING QUARTER 30 APRIL 2023 RM	CURRENT PERIOD TO-DATE 30 APRIL 2024 RM	PRECEDING YEAR CORRESPONDING PERIOD 30 APRIL 2023 RM
Revenue		12,977,966	-	12,977,966	-
Cost of sales		(8,774,384)	-	(8,774,384)	-
Gross Profit		4,203,582	-	4,203,582	-
Operating expenses		(9,146,950)	-	(9,146,950)	-
Loss from operations		(4,943,368)	-	(4,943,368)	-
Depreciation		(953,869)	-	(953,869)	-
Share of profit from an associate		(71,345)	-	(71,345)	-
Finance costs		(199,830)	-	(199,830)	-
Interest income		134,364	-	134,364	-
Loss before taxation		(6,034,048)	-	(6,034,048)	-
Taxation	B5	167	-	167	-
Loss for the period		(6,033,881)	-	(6,033,881)	-
Other comprehensive income, net of tax					
Foreign currency translation		(48,710)	-	(48,710)	-
Loss on fair value changes of equity investment		(79,039)	-	(79,039)	-
		(127,749)	-	(127,749)	-
Total comprehensive expense for the period, net of tax		(6,161,630)	-	(6,161,630)	-
(Loss)/Profit for the period attributable to:					
Equity holders of the Company		(6,929,479)	-	(6,929,479)	-
Non-controlling interests		895,598	-	895,598	-
Loss for the period		(6,033,881)	-	(6,033,881)	-
Total comprehensive (expense)/income attributable to:					
Equity holders of the Company		(7,057,228)	-	(7,057,228)	-
Non-controlling interests		895,598	-	895,598	-
Total comprehensive expense for the period		(6,161,630)	-	(6,161,630)	-
Earnings per share attributable to equity holders of the Company:-					
- Basic (sen)	B12	(1.03)	-	(1.03)	-
- Diluted (sen)		-	-	-	-

(Due to the change in the current financial year end from 31 July to 31 January, there were no comparative financial information available for the preceding year corresponding period ended 30 April 2023)

(The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial period ended 31 January 2024 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 21)

NEXGRAM HOLDINGS BERHAD

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(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER
ENDED 30 APRIL 2024**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	AT 30 APRIL 2024 (UNAUDITED) RM	AT 31 JANUARY 2024 (AUDITED) RM
ASSETS		
Non-current assets		
Property, plant and equipment	15,340,009	36,958,949
Right of use assets	8,300,513	8,437,720
Investment properties	7,500,000	7,500,000
Investment in an associate	2,231,546	2,302,891
Other investments	5,566,550	6,665,628
Goodwill on consolidation	7,519,263	7,519,264
Total non-current assets	<u>46,457,881</u>	<u>69,384,452</u>
Current assets		
Investment properties	38,500,000	38,500,000
Inventories	6,535,562	5,298,074
Receivables	61,937,076	39,965,732
Fixed deposits with licensed banks	9,329,993	8,308,733
Cash and bank balances	4,450,109	2,596,603
Tax recoverable	296,551	183,089
Total current assets	<u>121,049,291</u>	<u>94,852,231</u>
Total assets	<u>167,507,172</u>	<u>164,236,683</u>
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the parent:		
Share capital	146,093,705	130,622,990
Reserves	13,808,260	30,343,110
Accumulated losses	(51,418,713)	(44,489,235)
Shareholders' funds	108,483,252	116,476,865
Non controlling interests	4,841,756	3,946,159
Total equity	<u>113,325,008</u>	<u>120,423,024</u>
LIABILITIES		
Non-current liabilities		
Loans and borrowings	3,169,434	3,324,974
Deferred tax liabilities	1,293,483	1,293,650
Lease liability payables	85,204	98,586
Total non-current liabilities	<u>4,548,121</u>	<u>4,717,210</u>
Current liabilities		
Payables	34,037,748	21,455,166
Amount owing to directors	3,892,265	5,419,741
Loans and borrowings	9,441,395	9,920,144
Provisions	54,937	24,927
Lease liability payables	24,919	105,690
Tax payables	583,637	572,204
Deferred tax liabilities	1,599,142	1,598,577
Total current liabilities	<u>49,634,043</u>	<u>39,096,449</u>
Total liabilities	<u>54,182,164</u>	<u>43,813,659</u>
Total equity and liabilities	<u>167,507,172</u>	<u>164,236,683</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	<u>16.07</u>	<u>20.01</u>

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial period ended 31 January 2024 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 21)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER
ENDED 30 APRIL 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 February 2024	130,622,990	-	(2,491,060)	2,374,133	(245,000)	(3,984,895)	8,877,635	25,812,297	(44,489,235)	116,476,865	3,946,159	120,423,024
Total comprehensive (expenses)/income for the financial year:-												
Loss for the financial year	-	-	-	-	-	-	-	-	(6,929,478)	(6,929,478)	895,597	(6,033,881)
Other comprehensive income for the financial year	-	-	-	-	-	-	-	-	-	-	-	-
- Fair value of equity Investment	-	-	(1,065,681)	-	-	(1,466,904)	-	-	-	(1,065,681)	-	(1,065,681)
- Foreign currency translation	-	-	-	-	-	-	-	-	-	(1,466,904)	-	(1,466,904)
Total comprehensive income/(expenses)	-	-	(1,065,681)	-	-	(1,466,904)	-	-	(6,929,478)	(9,462,063)	895,597	(8,566,466)
Transaction with owners:												
- Issuance of ordinary shares	1,460,785	-	-	-	-	-	-	-	-	1,460,785	-	1,460,785
- Conversion of ICPS	14,009,930	-	-	-	-	-	(7,029,965)	-	-	6,979,965	-	6,979,965
- Redemption of RCPS	-	-	-	-	-	-	-	(6,972,300)	-	(6,972,300)	-	(6,972,300)
Total transactions with owners	15,470,715	-	-	-	-	-	(7,029,965)	(6,972,300)	-	1,468,450	-	1,468,450
Balance as at 30 April 2024	<u>146,093,705</u>	<u>-</u>	<u>(3,556,741)</u>	<u>2,374,133</u>	<u>(245,000)</u>	<u>(5,451,799)</u>	<u>1,847,670</u>	<u>18,839,997</u>	<u>(51,418,713)</u>	<u>108,483,252</u>	<u>4,841,756</u>	<u>113,325,008</u>
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	-	-	-	46,258	-	-	-	-	(117,721)	(71,463)	(101,658)	(173,121)
Total comprehensive (expenses)/income for the financial year:-												
Loss for the financial year	-	-	-	-	-	-	-	-	(28,123,151)	(28,123,151)	603,372	(27,519,779)
Other comprehensive (expenses)/income for the financial year	-	-	(592,881)	-	-	-	-	-	-	(592,881)	-	(592,881)
- Revaluation gain on leasehold land and building	-	-	-	302,233	-	-	-	-	-	302,233	129,527	431,760
- Realisation of revaluation reserve	-	-	-	(118,432)	-	-	-	-	109,086	(9,346)	46,750	37,404
- Fair value of equity investment	-	-	-	-	-	-	-	-	-	-	-	-
- Foreign currency translation	-	-	-	-	-	488,925	-	-	-	488,925	-	488,925
Total comprehensive (expenses)/income	-	-	(592,881)	183,801	-	488,925	-	-	(28,014,065)	(27,934,220)	779,649	(27,154,571)
Transaction with owners:												
- Issuance of ordinary shares	21,214,483	-	-	-	-	-	-	-	-	21,214,483	-	21,214,483
- Issuance of RCPS	-	-	-	-	-	-	-	22,500,000	-	22,500,000	-	22,500,000
- Issuance of ICPS	-	-	-	-	-	-	8,877,635	-	-	8,877,635	-	8,877,635
- Expiry of warrants	-	(1,903,140)	-	-	-	-	-	-	1,903,140	-	-	-
Total transactions with owners	21,214,483	(1,903,140)	-	-	-	-	8,877,635	22,500,000	1,903,140	52,592,118	-	52,592,118
Balance as at 31 January 2024	<u>130,622,990</u>	<u>-</u>	<u>(2,491,060)</u>	<u>2,374,133</u>	<u>(245,000)</u>	<u>(3,984,895)</u>	<u>8,877,635</u>	<u>25,812,297</u>	<u>(44,489,235)</u>	<u>116,476,865</u>	<u>3,946,159</u>	<u>120,423,024</u>

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial period ended 31 January 2024 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 21)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	CUMULATIVE QUARTER	
	CURRENT PERIOD TO-DATE 30 APRIL 2024 RM	PRECEDING PERIOD TO-DATE 30 APRIL 2023 RM
Cash flows for operating activities		
Loss before taxation	(6,034,048)	-
Adjustments for non-cash flow:		
Non-cash items	1,127,563	-
Finance costs	199,830	-
Interest income	(134,364)	-
Unrealised foreign exchange	(45,642)	-
Share of result of associate	71,345	-
Operating loss before working capital changes	<u>(4,815,316)</u>	<u>-</u>
Changes in working capital:		
Net change in current assets	(23,208,832)	-
Net change in current liabilities	33,583,208	-
Cash generated from operations	5,559,060	-
Tax paid	(113,752)	-
Cash generated from operating activities	<u>5,445,308</u>	<u>-</u>
Cash flows for investing activities		
Placement of fixed deposits pledged to bank	(1,021,260)	-
Interest received	134,364	-
Proceeds from disposal of property, plant and equipment	1,000	-
Purchase of property, plant and equipment	(302,480)	-
Cash used in from investing activities	<u>(1,188,376)</u>	<u>-</u>
Cash flows from financing activities		
Issuance of ordinary shares	1,460,785	-
Conversion ICPS	6,979,965	-
Redemption RCPS	(6,972,300)	-
Repayment of lease liabilities	(43,375)	-
Repayment short term borrowings	(838,145)	-
Drawdown of hire purchase creditors	139,056	-
Repayment of hire purchase creditors	706	-
Repayment of term loan, net	70,722	-
Repayment by Directors	(1,527,476)	-
Interest paid	(199,830)	-
Net cash used in financing activities	<u>(929,892)</u>	<u>-</u>
Net increase in cash and cash equivalents	3,327,040	-
Effect of foreign exchange rate changes	(1,466,906)	-
Cash and cash equivalents at beginning of period	2,108,652	-
Cash and cash equivalents at end of period	<u>3,968,786</u>	<u>-</u>
Cash and cash equivalents comprise of :-		
Cash and bank balances	4,450,109	-
Fixed deposits with licensed banks	9,329,993	-
Bank overdrafts	(481,323)	-
	13,298,779	-
Fixed deposits with tenure more than 3 months and pledged to licensed banks	(9,329,993)	-
	<u>3,968,786</u>	<u>-</u>

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial period ended 31 January 2024 and the accompanying Notes to the Unaudited Interim Financial Report on pages 5 to 21)

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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 period ended 31 January 2024.

The accounting policies adopted by the Group in these interim financial statements are consistent with those of the audited financial statements for the quarter ended 30 April 2024.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases* - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, *Presentation of Financial Statements* – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures* – Supplier Finance Arrangements

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- MFRS 121, *The Effects of Changes in Foreign Exchange Rates* - Lack of Exchangeability

MFRSs, Interpretations and amendments effective for annual periods on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures* - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable from the annual period beginning on 1 February 2024 for those accounting standards, interpretations and amendments that are effective for annual periods beginning on or after 1 January 2024.

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A1. Basis of preparation (cont'd)

The Group and the Company do not plan to apply MFRS 17, *Insurance Contracts* that is effective for annual period beginning on 1 January 2023 as it is not applicable to the Group and the Company.

A2. Qualification of financial statements

The auditors have expressed an unmodified opinion with an emphasis of matters on material uncertainties relating to going concern, in respect of Nexgram Holdings Berhad's audited financial statement for the financial period ended 31 January 2024.

The Emphasis of matters by Independent Auditors are as follows:

We draw attention to Note 2.1 to the financial statements, which indicates that: -

- a) The Group and the Company incurred a net loss of RM27,519,779/- and RM16,010,879/- respectively, during the financial period ended 31 January 2024;
- b) The Company has been served with a winding-up petition as disclosed in B9(a) to the financial statements;
- c) Nextnation Datacity Sdn Bhd, a wholly-owned subsidiary of the Company, went into liquidation after High Court has granted the winding-up orders as disclosed in B9(b) to the financial statements; and
- d) Tri-G Technologies Sdn Bhd ("Tri-G"), a 51% owned subsidiary of the Company, has not complied with the repayment terms of its bank borrowings as disclosed in B9(c) to the financial statements.

Below are the steps taken or propose to be taken to address the key audit matters that related to the above indicators:

- a) Upon fully redemption of RCPS for the acquisition of the management right as announced on 10 March 2023, its will enable the Group to group the Hotel Service Management Business, which is an industry with positive outlook and allows the Group to add value and contribute positively to its earnings recovery;
- b) The Company has proposed and settled the outstanding amount to pay the Petitioner's claim in six (6) monthly instalments commencing 7 June 2024;
- c) The Solicitor of the Company is in the midst of preparing the cause papers to file the fresh application for stay of execution of the winding up; and
- d) Tri-G will be aggressively looking for business to generate cash flow in future.

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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
- 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
4 April 2024	26,000,000
12 April 2024	8,000,000
23 April 2024	31,850,700
25 April 2024	1,000,000
30 April 2024	5,948,600

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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 (cont'd):

Date	No. of ordinary shares
7 May 2024	27,376,510
13 May 2024	9,576,980
Total	177,552,790

Upon taken into consideration of the conversion of ICPS, the total allotted shares amounting to 888,814,808 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 quarter period ended 30 April 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	-	16,520,293	-	45,000	2,104,915	700	(5,692,942)	12,977,966
(Loss)/ Profit before taxation	(4,128,566)	1,638,215	(1,068,737)	(168,374)	297,584	(2,441,721)	(162,449)	(6,034,048)

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 30 April 2024.

A12. Changes in composition of the Group

There were no changes in the composition of the Group during the quarter ended 30 April 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>26,270,000</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
	30 April 2024	30 April 2024
	RM'000	RM'000
Revenue	12,978	12,978
Cost of sales	(8,774)	(8,774)
Gross Profit	4,204	4,204
Operating expenses	(9,147)	(9,147)
Loss from operation	(4,943)	(4,943)
Loss before interest and tax	(5,969)	(5,969)
Loss before taxation	(6,034)	(6,034)
Loss for the period	(6,034)	(6,034)
Loss attributable to Ordinary Equity Holders of the parent	(6,929)	(6,929)

The Group recorded a revenue of RM12.98 million for the financial period ended 30 April 2024. The Group's revenue is mainly derived from the ICT Malaysia division which represented approximately 85.25% 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 RM6.03 million in the current quarter is mainly due to professional fees, depreciation and other operating expenses.

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	Current Quarter 30 Apr 2024 RM'000	Immediate Preceding Quarter 31 Jan 2024 RM'000	Changes %
Revenue	12,978	11,552	12.34
Cost of sales	(8,774)	(9,586)	(8.47)
Gross Profit	4,204	(1,966)	313.84
Operating expenses	(9,147)	(6,770)	35.11
Loss from operations	(4,943)	(4,804)	2.89
Loss before interest and Tax	(5,969)	(5,224)	14.26
Loss before taxation	(6,034)	(5,372)	12.32
Loss for the period	(6,034)	(5,877)	2.67
Loss attributable to Ordinary Equity Holders of the parent	(6,929)	(5,238)	32.28

For the current quarter ended 30 April 2024, the Group recorded revenue of RM12.98 million compared to RM11.52 million recorded in the previous quarter ended 31 January 2024. The Group's revenue increased by 12.34% due to the increase in revenue contribution from ICT Malaysia division.

The Group recorded a loss before taxation of RM6.03 million for the current quarter ended 30 April 2024, as compared to a loss before taxation of RM5.37 million recorded in the previous quarter ended 31 January 2024. The loss recorded in the current quarter was due to professional fees, depreciation and other operating expenses.

B2. Current year's prospect

The Management views that financial period ending 2025 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.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 APRIL 2024

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

On 22 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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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 prices. 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 30 April 2024 <u>RM</u>	Year to date 30 April 2024 <u>RM</u>
Depreciation charges	953,869	953,869
Interest expense	199,830	199,830
Interest income	(134,364)	(134,364)
Fair value loss on quoted shares	79,039	79,039
Realised loss on foreign exchange	48,710	48,710

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	Individual Quarter	Cumulative Quarter
	Current period quarter	Current period to- date
	30 April 2024 RM	30 April 2024 RM
Current period provision	167	167
Deferred tax provision	-	-
Total	167	167

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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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	Max	1 st tranche	2 nd tranche	Total	
	RM'000	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 30 April 2024.

Secured borrowings	Payable within 12 months (RM)	Payable after 12 months (RM)
Denominated in: - Malaysian Ringgit	9,470,560	3,254,638

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) Winding-up petition served by Teng Bee Ling (“Petitioner”) against the Company (“Respondent”)

On 15 February 2024, the Company received the winding-up petition (“Petition”) served by Teng Bee Ling (“Petitioner”). The Petition was presented by the Petitioner to the High Court of Malaya at Kuala Lumpur on 5 February 2024.

The Petitioner had provided advances to the Company and its group of companies a working capital that amounted to a sum of RM300,000/- in two separate payments, being RM150,000/- on 31 October 2018 and RM150,000/- on 13 December 2018 (“the said Advances”). However, out of the twelve (12) cheques for the repayment of the said Advances, only five (5) cheques, to which amounted to a sum of RM125,000/-, were cleared and/or honoured and has been repaid to the Petitioner in respect of the said Advances.

Pursuant to the Petition, the Petitioner claimed a total outstanding amount of RM175,000/- and required the full payment to be settled, within twenty-one (21) days from the date of service, failing which the Company shall be deemed to be unable to pay its debts.

The Company had settled the petitioner’s claim in six (6) monthly instalments commencing 7 June 2024. The next management Hearing is now fixed on 5 July 2024.

b) 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.

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B9. Material litigation (cont'd)

b) 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 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 20 March 2024, a liquidator was appointed, 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; NBSB to file Affidavit in Reply on or before 16 April 2024 and the next Case Management is fixed on 23 April 2024.

The Court had on 23 April 2024 directed the Petitioner to refer the issue of costs to the presiding Judge. The next case management is fixed on 14 May 2024.

The Court had on 14 May 2024 made an order that the Plaintiff’s application for stay of execution of the winding up was withdrawn with liberty to file a fresh. The Plaintiff is in the midst of preparing the cause papers to file for a fresh application.

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B9. Material litigation (cont'd)

c) 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.

On 14 March 2024, Tri-G Technologies Sdn Bhd and Nexgram Holdings Berhad were served the Notice Pursuant to Section 465(1)(e) and Section 466(1) of the Companies Act, 2026. The next Hearing date is to be fixed.

d) Legal suit with Spacious Glory Sdn Bhd

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

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

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B9. Material litigation (cont'd)

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

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.

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

e) 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.

The solicitors are of the opinion that the chances of success are good.

f) 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;

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B9. Material litigation (cont'd)

f) Legal Suit with Perbadanan Bioteknologi Melaka (cont'd)

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 cost; and

5. 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.

On 2 May 2024, both parties have tried to resolve the matter by way of mediation. Nonetheless, both parties have failed to reach a settlement through mediation.

On 15 May 2024, the Plaintiff has made an amendment application to amend the pleading which was made to include the actual cost of refurbishment of the laboratory paid in the sum of RM79,028/- and the loss suffered by the Plaintiff as a results the Defendant's refusal to accept the new machine and laboratory items in the sum of RM77,760/-.

The Court has been informed of the amendment application via the e-Review on 16 May 2024 and the new Hearing date for the same is fixed on 19 August 2024.

B10. Dividend

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

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B11. 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)	(6,929,479)	(6,929,479)
Weighted average number of shares	675,035,025	675,035,025
Basic earnings per share (sen)	(1.03)	(1.03)

(b) Diluted

Not applicable.