NEXGRAM HOLDINGS BERHAD
(200401021550 (660055-H))

2022 ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

HJ MAZRU MAT YUSOF
Executive Chairman
(Redesignated on 7 November 2022)

DATO' YEK SIEW LEE, ROMAN
Managing Director

DATO' LEW SHIONG LOON, BOB
Independent Non-Executive Director
(Appointed on 15 August 2022)

LAI HUI YEEN (F)
Independent Non-Executive Director
(Appointed on 15 August 2022)

FARIDAH BINTI JAAFAR (F)
Independent Non-Executive Director
(Appointed on 19 August 2022)

DATO' SRI RUSLI BIN AHMAD
Independent Non-Executive Chairman
(Resigned on 16 August 2022)

ZAHARIN BIN AHMAD ZAMANI
Independent Non-Executive Director
(Resigned on 16 August 2022)

FU LIT FUNG
Non-Independent Non-Executive Director
(Resigned on 16 August 2022)

ONG TIAN SOON
Independent Non-Executive Director
(Resigned on 15 August 2022)

AUDIT COMMITTEE

Chairman

DATO' LEW SHIONG LOON, BOB
(Appointed on 15 August 2022)

ONG TIAN SOON
(Resigned on 15 August 2022)

Member

LAI HUI YEEN (F)
(Appointed on 15 August 2022)

FARIDAH BINTI JAAFAR (F)
(Appointed on 22 August 2022)

DATO' SRI RUSLI BIN AHMAD
(Resigned on 16 August 2022)

ZAHARIN BIN AHMAD ZAMANI
(Resigned on 16 August 2022)

NOMINATION COMMITTEE

Chairman

FARIDAH BINTI JAAFAR (F)
(Appointed on 22 August 2022)

ZAHARIN BIN AHMAD ZAMANI
(Resigned on 16 August 2022)

Members

DATO' LEW SHIONG LOON, BOB
(Appointed on 22 August 2022)

LAI HUI YEEN (F)
(Appointed on 22 August 2022)

DATO' SRI RUSLI BIN AHMAD
(Resigned on 16 August 2022)

FU LIT FUNG
(Resigned on 16 August 2022)

CORPORATE INFORMATION
(CONTINUED)

REMUNERATION COMMITTEE

Chairman

FARIDAH BINTI JAAFAR (F)
(Appointed on 22 August 2022)

ZAHARIN BIN AHMAD ZAMANI
(Resigned on 16 August 2022)

Members

DATO' YEK SIEW LEE, ROMAN
(Appointed on 22 August 2022)

LAI HUI YEEN (F)
(Appointed on 22 August 2022)

DATO' SRI RUSLI BIN AHMAD
(Resigned on 16 August 2022)

FU LIT FUNG
(Resigned on 16 August 2022)

SHARE REGISTRAR

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Unit 32-01, Level 32, Tower A Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Tel : +603 2783 9299
Fax : +603 2783 9222

REGISTERED OFFICE

Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City 59200 Kuala Lumpur
Tel : +603-2280 6388
Fax : +603 2280 6399

CORPORATE OFFICE

BO2-A-16, Menara 3, KL Eco City
No. 3, Jalan Bangsar
59200 Kuala Lumpur
Wilayah Persekutuan
Tel : +603-2202 3767
Fax : +603-2262 5022

Website : www.nexgram.co

AUDITORS

CAS MALAYSIA PLT
[201606003206 (LLP0009918-LCA & AF 1476)]
B-5-1, IOI Boulevard
Jalan Kenari 5
Bandar Puchong Jaya
47170 Puchong
Selangor Darul Ehsan
Tel : +603-8075 2300/80/81
Fax : +603-8600 5463

COMPANY SECRETARY

WONG YOUN KIM
(MAICSA 7018778)
(SSM PC NO. 201908000410)

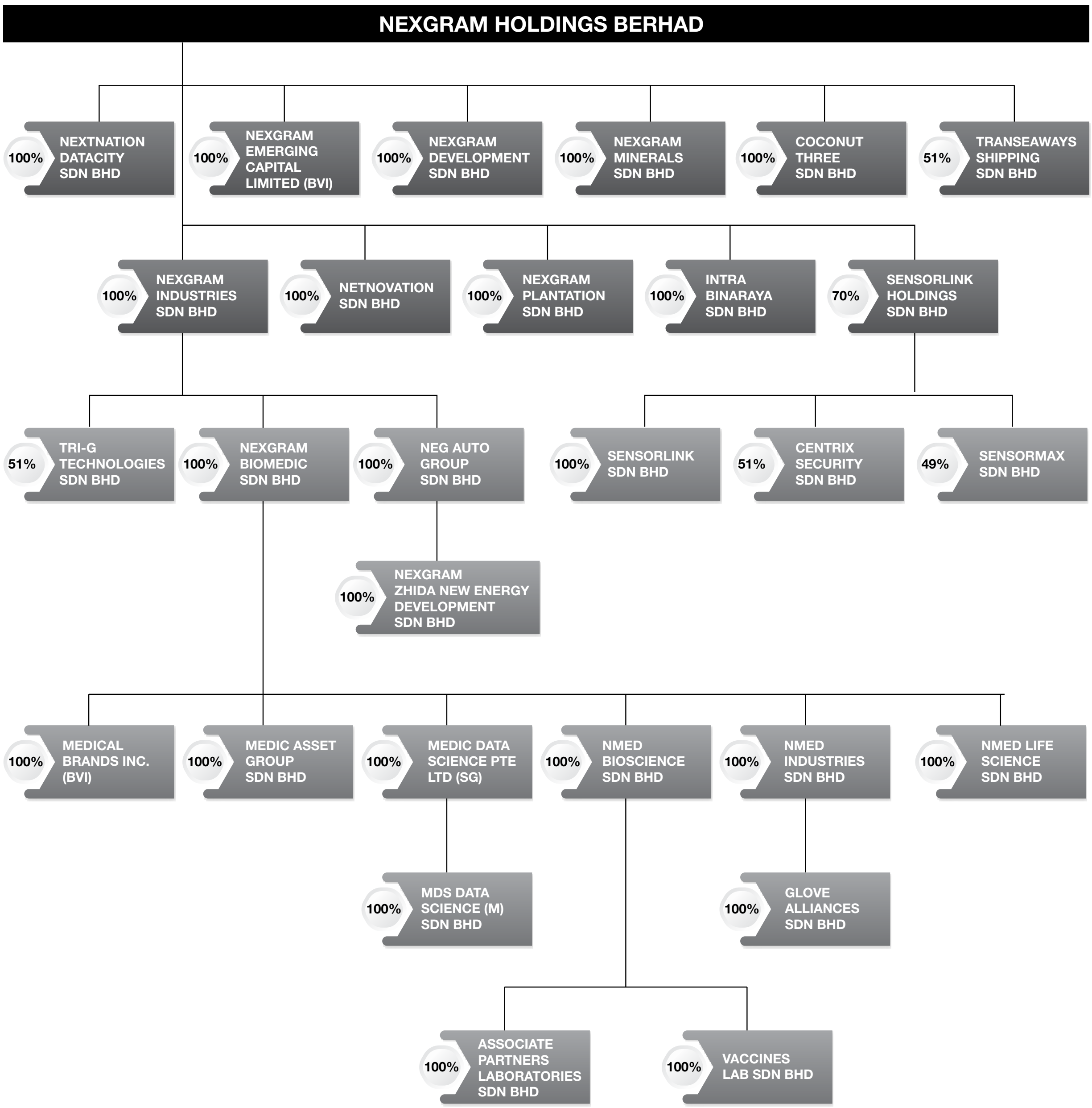
BANKERS / FINANCIAL INSTITUTION

Affin Bank Berhad
Alliance Bank (M) Berhad
AmFunds Management Berhad
CIMB Bank Berhad
Malayan Banking Berhad
OCBC Al-Amin Bank Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad
SME Bank

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: NEXGRAM
Stock Code: 0096

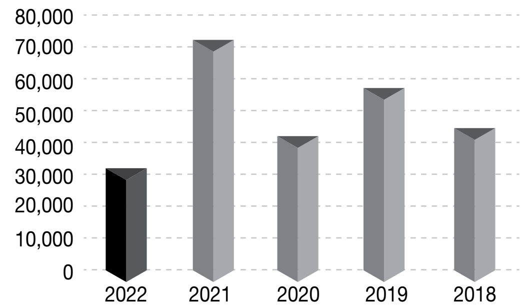
CORPORATE STRUCTURE



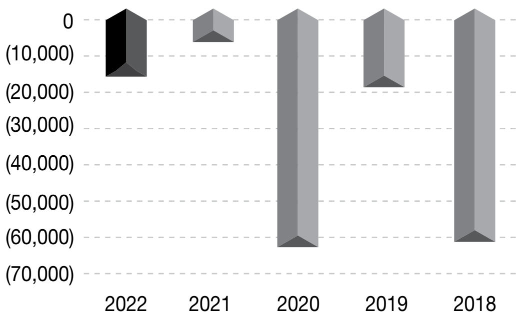
GROUP FINANCIAL HIGHLIGHTS

	Financial Year Ended 31 July 2022 RM'000	Financial Year Ended 31 July 2021 RM'000	Financial Year Ended 31 July 2020 RM'000 Restated	Financial Year Ended 31 July 2019 RM'000	Financial Year Ended 31 July 2018 RM'000 Restated
Revenue	31,020	73,324	41,142	58,056	45,636
Loss before Taxation	(16,950)	(7,947)	(63,320)	(19,328)	(61,270)
Total Comprehensive Expense	(19,916)	(5,752)	(65,348)	(22,604)	(69,800)
Paid Up Share Capital	109,409	90,196	206,520	200,719	98,051
Shareholders' Fund	91,890	113,984	88,947	125,214	144,935
Loss Per Share (sen)	(0.35)	(0.19)	(2.97)	(1.02)	(3.25)
Net Assets Per Share (sen)	2.08	3.10	3.78	6.05	7.44

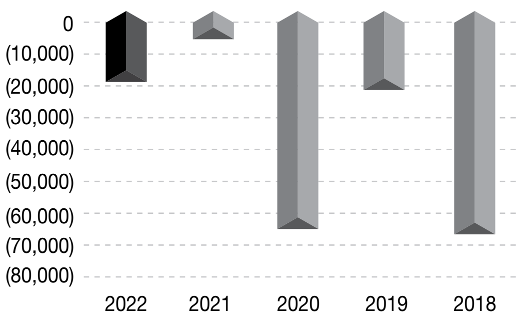
Revenue
(RM'000)



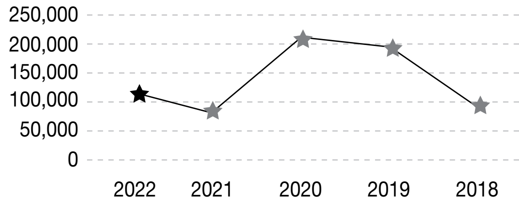
Loss before Taxation
(RM'000)



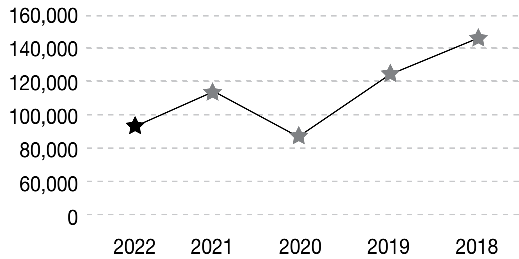
Total Comprehensive Expense
(RM'000)



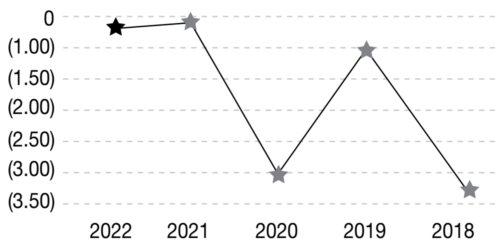
Paid Up Share Capital
(RM'000)



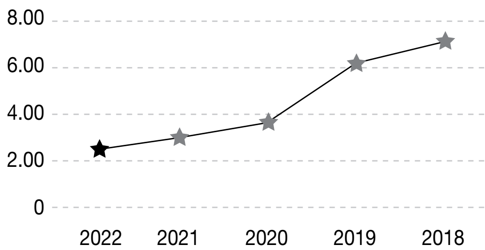
Shareholders' Fund
(RM'000)



Loss Per Share (sen)
(SEN)



Net Assets Per Share (sen)
(SEN)



DIRECTORS' PROFILE

HJ MAZRU MAT YUSOF C.A.(M)

Malaysian, Aged 59, Male
Executive Chairman

Hj Mazru Mat Yusof was appointed as an Executive Director of the Company on 7 January 2016 and redesignated to Executive Chairman on 7 Nov 2022. Prior to his redesignated to Executive Chairman, he was also the Group Chief Financial Officer and Group Chief Operating Officer of the Company.

He obtained his Advanced Diploma in Accountancy from Universiti Teknologi MARA ("UiTM") in 1993. He is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants ("MIA") since 22 September 1995.

He began his career in August 1987 with AlJefri & Co. Public Accountants (M) as an Assistant Audit Senior, upon obtained his Diploma in Accountancy from UiTM in 1986. Three (3) years later, he joined Malaysian Rubber Exchange and Licensing Board ("MRELB") as an Assistant Accountant. Whilst at MRELB, he studied and graduated with an Advanced Diploma in Accountancy from UiTM in 1993.

In May 1994, he joined Technology Resources Industries Bhd (TRI)/ Celcom (Malaysia) Bhd, as an Assistant Finance Manager, subsequently moving up the rank to become the Finance Manager. He then joined Edaran Komputer (M) Sdn Bhd in 1999 as the Manager of Finance and Administration until June 2002 when he was reassigned to the holding company, Edaran Digital Systems Bhd as the Chief Financial Controller cum Corporate Finance Manager.

His own business exposure started when he joined Faaza Biotech (M) Sdn Bhd in 2004 as the Managing Director, responsible for all financial, corporate matters, marketing and the day-to-day running of business of the Company.

In 2013, he was exposed to the travelling service industry when he joined Triways Travel Network (M) Sdn Bhd as the Chief Financial Officer/ General Manager - Finance, responsible for all financial matters of the company as well as tasked to oversee the management and operation of Triways Travel Centre (M) Sdn Bhd which is part of the Triways Group of Companies.

As at the date of this report, he held a direct interest of 151,337,032 ordinary shares and 30,267,406 Warrant D and an indirect interest of 859,750,039 ordinary shares and 171,950,007 Warrant D respectively in the Company.

He has attended all the Board Meeting during his tenure in office for the financial year ended 31 July 2022.

He does not sit on the board of other public companies. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conviction for offences within five (5) years other than traffic offences.

DIRECTORS' PROFILE
(CONTINUED)

DATO' YEK SIEW LEE, ROMAN
Malaysian, Aged 48, Male
Managing Director

Dato' Yek Siew Lee, Roman was appointed as Executive Director of Nexgram Holdings Berhad on 20 February 2019. Subsequently, he was redesignated as Managing Director on 3 April 2019.

He studied in Nan Hwa High School, he began his career in 1994 with aluminium manufacturing industries. Subsequent to that, from year 1996 to 2004, he was appointed as Chief Executive Officer of Diamond Interior Design, one of the diamond interior design companies in Singapore.

He was engaged as independent business advisor in the public listed company, D.B.E. Gurney Resources Group in year 2004 and as special advisor to SPL Resources in the police force logistic affair in year 2013. He acted as Corporate Advisor of Nexgram Group since year 2016.

He is actively involved in social and philanthropy works. In year 2011, he was appointed as Director of Nan Hwa High School and subsequently was appointed as Vice Chairman since year 2014.

As he contributes to the society and country, His Royal Highness Sultans in various States in Malaysia had awarded him with appreciation titles such as DSAP., SAP., SMP., AMP., and PJK.

As at the date of this report, he held 55,163,900 ordinary shares and 11,032,780 Warrant D in the Company.

He has attended all the Board Meeting during his tenure in office for the financial year ended 31 July 2022.

He does not sit on the board of other public companies. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conviction for offences within five (5) years other than traffic offences.

DIRECTORS' PROFILE
(CONTINUED)

DATO' LEW SHIONG LOON, BOB
Malaysian, Aged 53, Male
Independent Non-Executive Director

Dato' Lew Shiong Loon, Bob was appointed as an Independent Non-Executive Director of Nexgram Holdings Berhad on 15 August 2022.

He had his tertiary education on Bachelor of Economics (Business Administration) from University of Malaya in 1992. He continued with Master of Business Administration from the Heriott-Watt University, Edinburgh, United Kingdom in 1996. Subsequently, he obtained his Diploma in Montessori Early Childhood Education from St. Nicholas Montessori, United Kingdom in 2001. Besides, he also obtained his Master of Science in Forensic Psychology & Criminal Investigation from University of Liverpool in 2013. He is a member of Certified Financial Planner. Currently, he is pursuing his Doctor of Philosophy in Suicidology from Griffith University, Australia.

He started his career in 1992 with Accenture Consulting as a Consultant. A year later, he joined FACB Berhad as an Executive, Corporate Strategy & Research and subsequently moving up the rank to become the Head, CEO/ Corporate Secretariat Office, Head, Business Research & Development reporting to the Group President/ CEO.

In 1997, he joined SEG International Berhad (SEGI) as a Lecturer then he left in 2003 as the Consultant to SEGI/ Kumpulan Emas Berhad Group President and CEO (in business R&D and business development). Then, he joined NagaCorp Limited as Executive Assistant to Group President/ CEO.

Currently, he is the founder, controlling shareholder and director/ CEO at AsiaCrux Sdn Bhd and AsiaCrux Limited since 2007.

On 15 August 2022, he was also appointed as the Chairman of the Audit Committee of the Company. Subsequently, he was appointed as a member of the Nomination Committee of the Company on 22 August 2022.

As at the date of this report, he did not hold ordinary shares in the Company.

He does not sit on the board of other public companies. He does not have any family relationship with any Director and/or major shareholder of the Company. He has no conviction for offences within five (5) years other than traffic offences.

DIRECTORS' PROFILE
(CONTINUED)

FARIDAH BINTI JAAFAR
Malaysian, Aged 50, Female
Independent Non-Executive Director

Puan Faridah Binti Jaafar was appointed as an Independent Non-Executive Director of Nexgram Holdings Berhad on 19 August 2022.

She obtained her Bachelor in Information Technology (Hons) from Universiti Utara Malaysia.

She started her career as an information systems auditor at UMW Corporation Sdn Bhd. Then, she joined Multimedia Development Corporation as a Manager and subsequently moving up the rank to become the Head of Client Management, Programme and Facilities. Next, she moved to National Film Development Corporation as a Director from 2015 to 2017.

Prior to her current position, she was a General Manager at Aspire Flagship Sdn Bhd from 2017 to 2021. Currently, she is a General Manager at Central Spectrum (M) Sdn Bhd.

She was appointed as the member of Audit Committee of the Company on 19 August 2022. Subsequently, she was appointed as a Chairperson of the Nomination Committee and the Remuneration Committee of the Company on 22 August 2022.

As at the date of this report, she did not hold ordinary shares in the Company.

She does not sit on the board of other public companies. She does not have any family relationship with any Director and/or major shareholder of the Company. She has no conviction for offences within five (5) years other than traffic offences.

DIRECTORS' PROFILE
(CONTINUED)

LAI HUI YEEN C.A.(M)
Malaysian, Aged 45, Female
Independent Non-Executive Director

Ms. Lai Hui Yeen was appointed as an Independent Non-Executive Director of Nexgram Holdings Berhad on 15 August 2022.

She obtained her Bachelor of Business (Accounting) from Monash University, Caulfield Campus in Australia. She is a member of the Malaysian Institute of Accountants (MIA) and member of CPA Australia.

She started her career as an accounts assistant at Metronic Engineering Sdn Bhd before moving into areas audit and tax with an accounting firm, Beh LH & Co, Chartered Accountants. She later worked as an accountant in a Multi-National Company, The Wringley Group.

She joined PYMS Solutions Sdn Bhd in 2016 and currently the Director and Shareholder, and she also the Director of Accounting & Tax Services at PYMS Solutions Sdn Bhd.

Previously, she has been appointed as Chairperson of Audit Committee and a member of the Remuneration Committee and Nomination Committee for Techfast Holdings Berhad (Techfast) on 18 October 2018 and subsequently resigned on 11 November 2020.

She was appointed as the member of Audit Committee of the Company on 15 August 2022. Subsequently, she was appointed as a member of the Nomination Committee and the Remuneration Committee of the Company on 22 August 2022.

As at the date of this report, she did not hold ordinary shares in the Company.

She does not sit on the board of other public companies. She does not have any family relationship with any Director and/or major shareholder of the Company. She has no conviction for offences within five (5) years other than traffic offences.

KEY MANAGEMENT'S PROFILE

AW MUN KONG

Malaysian, Aged 53 Male
Managing Director, Sensorlink Holdings Sdn Bhd

Mr. Aw Mun Kong is the Managing Director of Sensorlink Holdings Sdn Bhd and its subsidiaries ("Sensorlink Group"). He has been the Managing Director of Sensorlink Holdings Sdn Bhd since its incorporation in 2005. He has been involved in the security surveillance industry for the past 30 years.

Sensorlink Holdings Sdn Bhd is a 70% owned subsidiary of Nexgram Holdings Berhad. Sensorlink Group is principally involved in the business of import and distribution of security and video surveillance equipment.

He is also a shareholder of the Company, holding direct interest of 2,126,400 ordinary shares and indirect interest of 133,933,334 ordinary shares.

He does not hold any directorships in other public companies. He does not have family relationship with any Director and/or major shareholder of the Company. He has no conviction for offences within five (5) years other than traffic offences.

ANG CHIN POO

Malaysian, Aged 51, Male
Managing Director, Transeaways Shipping Sdn Bhd

Mr. Ang Chin Poo is the Managing Director of Transeaways Shipping Sdn Bhd, a 51%-owned subsidiary of Nexgram Holdings Berhad. Transeaways Shipping Sdn Bhd is principally involved in the logistic and shipping business.

He graduated from Pittsburgh State University with a Bachelor of Business Administration majoring in Finance in 1992. He continued with the University and earned a Master of Business Administration in 1993 and Master of Science majoring in Human Resource Development in 1994.

He has over 20 years of experience in the shipping and logistics industry. He began his career with Trans World Airlines in Kansas, United States of America as an Auditor in 1994 and was promoted to Senior Auditor a year later. Upon his return to Malaysia in 1997, he worked in TA Asset Management Sdn Bhd as a Fund Manager for two (2) years. He co-founded Transeaways Shipping Sdn Bhd in 1999.

He does not hold any directorships in other public companies. He does not have family relationship with any Director and/or major shareholder of the Company. He has no conviction for offences within five (5) years other than traffic offences.

DAMIAN LUKE DE ROZARIO CHA

Malaysian, Aged 45, Male
General Manager, Associate Partners Laboratories Sdn Bhd

Mr. Damian Luke De Rozario appointed as the General Manager of Associate Partners Laboratories Sdn Bhd on 11th July 2022 to oversee the Healthcare Tourism who operating Wings by Croske Resort Langkawi Hotel in Langkawi. He graduated from The Singapore Hotel Association Training & Education Centre (SHATEC) and obtained the title of Certified Hotel Administrator (CHA) from American Hotel & Lodging Association (AHLA).

Proficiency in directing and managing all activities in Food and Beverage, Front Office, Security, Housekeeping, Maintenance, including budgetary and cost control to be profitable, along with extensive leadership, communication, and technical skills to ensure the smooth running of all operations with strong background in Food & Beverage.

Mr. Damian has been nominated and achieved many Awards in the Hotel industry such as Gold Award 2018 Best 3 Star Resort by Malaysia Tourism Council, Gold Award 2019 Best 3 Star Resort by Malaysia Tourism Council, Clean and Safe Certified by MOTAC, Recognition of Excellence 2018 in Malaysia for achieving the Highest Standards of Customer Satisfaction, Singapore's Top Restaurant 2009 Simply Dining, Singapore's Asia Platinum Awards for 2009-2011 nominated for the TOP Five HAPA Service Excellence Hospitality, Awarded for Singapore Food Festival in Santiago Chile at the Grand Hyatt, Asia Platinum Awards nominated.

He does not hold any directorships in other public companies. He does not have family relationship with any Director and/or major shareholder of the Company. He has no conviction for offences within five (5) years other than traffic offences.

MANAGEMENT DISCUSSION AND ANALYSIS

Dear Valued Shareholders,

On behalf of the Board of Directors ("the Board") of Nexgram Holdings Berhad ("Nexgram" or "the Company"), we are pleased to present the Annual Report and the Audited Financial Statements of the Company and its subsidiaries ("the Group") for the financial year ended 31 July 2022 together with the Management Discussion and Analysis ("MD&A").

The following MD&A of the operating performance and financial condition of the Group for the twelve (12) months ended 31 July 2022 should be read in conjunction with the Audited Financial Statement for the year ended 31 July 2022 and related notes thereto.

The information presented in the MD&A, including information relating to comparative period in 2022, is presented in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), unless otherwise stated.

OVERVIEW OF BUSINESS AND OPERATIONS

Nexgram is a Company listed on the ACE Market of Bursa Malaysia Securities Berhad under the Telecommunications & Media sector. The share capital and number of shares of the Company is represented by 4,416,770,945 ordinary shares equivalent to RM109,408,507 as at 31 July 2022.

For the financial year ended 31 July 2022 ("FYE 2022"), the Group is streamlining its operations and focus on its information, communication and technology ("ICT"), logistics, and healthcare divisions. The Group recorded revenue of RM31.02 million and a loss before tax of RM16.95 million in FYE 2022. The Group foresee there are growth potentials in these segments despite the current economic conditions.

CORPORATE OBJECTIVE AND STRATEGIES

The Management views that year 2022 will continue to be a challenging year due to the Covid-19, current economic and politics issues taken part in Malaysia. The ICT division involves the trading and distribution of security and video surveillance equipment via our 70%-owned subsidiary, Sensorlink Holdings Sdn Bhd ("Sensorlink"). The principal products of Sensorlink and its subsidiaries ("Sensorlink Group") comprise security and video surveillance equipment under house-brand, Centrix and various established third-party brands. The Sensorlink Group has approximately 600 customers, ranging from individuals, government and corporations from the commercials, retails, housing and financial sectors. Sensorlink Group is currently exploring various options to promote and generate demand for its principal products, including but not limited to:

(i) maintain good relationships with existing customers and business partners such as its suppliers of security and video surveillance equipment to secure recurrent and referral sales/ projects;

(ii) participate in relevant exhibitions, seminars and conferences to generate brand and product awareness;

(iii) conduct product training and provide after-sales services such as technical support, troubleshooting assistance, warranties and repair services to its users and customers as part of the Group's marketing and promotional initiatives for its products and services;

(iv) collaborate with technology providers to develop innovative video surveillance applications; and

(v) develop new sales channels to create business synergy and cross selling strategies.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONTINUED)

CORPORATE OBJECTIVE AND STRATEGIES (CONTINUED)

As of our logistics division involves the provision of handling, stock piling, receiving and loading of dry bulk cargo (i.e. bauxite, iron ore, manganese ore and etc.) services at Kuantan Port, Kemaman Port, Johor Port and Batu Pahat Jetty via our 51%-owned subsidiary, Transeaways Shipping Sdn. Bhd. ("Transeaways Shipping"). Transeaways Shipping also provides holistic logistics solution for containerised cargo which involves forwarding, freighting and haulage service at Kuantan Port, Johor Port and Tanjung Pelepas Port. Transeaways Shipping's customers comprise multinational corporations at Gebeng Industrial Area in Kuantan, Paka Industrial Park in Kertih and Pasir Gudang Industrial area in Johor as well as companies that are involved in the various industries including oil and gas, chemicals, manufacturing and mining. Transeaways Shipping intends to explore the following various initiatives to expand its logistics services, including but not limited to:

(i) Transeaways Shipping's office is located in Kuantan, Pahang. In order to expand its domestic coverage, Transeaways Shipping intends to improve its network coverage by strengthening its geographical presence by securing new additional contracts as well as setting up a logistics center and depot in Johor and Kelantan to cater to a wider customer base;

(ii) Transeaways Shipping intends to provide additional value-added customer support services such as marine insurance application for cargo, co-packing and repacking of cargo, issuance and checking of shipping-related documents such as packing list and draft bill of lading as well as logistics training program to customers' logistics staff. This will enable Transeaways Shipping to improve its customer support services levels; and

(iii) Transeaways Shipping intends to provide temporary and long-term warehousing storage with secured storage facilities as well as the service of cargo loading/ stuffing into containers. This will provide customers with convenience and flexibility for shipping arrangements.

As for healthcare division, Nexgram Biomedic Sdn Bhd ("NBio") Group provides healthcare related products and services which health tourism is currently one of the area given importance by the government especially in the promotion for oncology, cardiology and fertility treatment. Malaysia has become one of the popular destinations for medial tourist seeking medical treatment and wellness services including aesthetic procedures over the recent years. As such, in tandem with the promotion of medical tourism and the concept of private sector as a partner, the Group also cooperates with industry experts in the research for the development of drugs and vaccine for Covid-19, as well as other molecular diagnostic treatments for cancer, and anti-aging formulas.

FINANCIAL PERFORMANCE

The Group recorded revenue of RM31.02 million in the financial year ended FYE 2022 compared to RM73.32 million reported in the previous financial year ended 31 July 2021 ("FYE 2021"). During the year under review, the Group's revenue was significant decreased by 57.69% contributed from our Group medical and logistics segments. The medical segment revenue decreased to RM8.49 million (FYE 2021: RM42.41 million) and the logistic segment revenue decreased by RM11.48 million. However, the ICT security segment revenue increased by RM2.97 million.

In line with the decrease in revenue, our Group recorded a loss before tax to RM16.95 million (FYE 2021: RM7.95 million). The loss before tax during the financial year was mainly attributable to:

(a) lower revenue contribution in the FYE 2022 as stated above;

(b) higher impairment of trade and other receivables of RM4.52 million in FYE 2022 (FYE 2021: RM0.07 million) as a result of weak economic outlook during the FYE 2022 which resulted in lower collection;

(c) impairment losses from goodwill on consolidation of RM16.96 million; and

(d) mitigate the loss by fair value gain on investment properties of RM15.99 million in FYE 2022 (FYE 2021: RM1.10 million).

MANAGEMENT DISCUSSION AND ANALYSIS
(CONTINUED)

FORWARD LOOKING STATEMENT

On 29 September 2022, Medic Asset Group Sdn Bhd ("MAGSB"), a wholly owned sub-subsidiary of the Company had entered into a conditional share sale agreement with Croske Hotels Sdn Bhd and Flyboys Club Sdn Bhd 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 at an issue price of RM90.00 per redeemable convertible preference shares in MAGSB ("Proposed Acquisition"). The Proposed Acquisition is subject to the approval from the shareholders of the Company at an EGM to be convened. Further information for the Proposed Acquisition will be provided by the Company in a circular to shareholders of the Company in relation to the Proposed Acquisition in due course.

The Group intends to acquire Wings to utilise the unexpired sublease rights of 67 years of a freehold land held under H.S.(D) 110, PT 445, Bandar Padang Mat Sirat, Daerah Langkawi, Kedah measuring approximately 16,900 square metres together with the hotel building known as Century One Helang Hotel Langkawi with 218 guest rooms and all the facilities including all fixtures and fittings erected thereon ("Property") 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.

CORPORATE SOCIAL RESPONSIBILITY

The Group are committed to run our business in a responsible and sustainable manner that adds value for our stakeholders, workplace and community. Social responsibility is an integral part of the Group's business philosophy and contribute to the society.

Community

The Group is mindful of the responsibility to contribute in a direct manner to those less fortunate.

The Group has made donation of funds and kind to selected charities and societies, amongst others:

i. Donation to Remedic Healthcare Foundation;

ii. Donation to Akademi Tahfiz Al-Quran Azzawawi ("ATQA") for maintenance Bangunan ATQA;

iii. Donation to Tabung Kebajikan Sukan dan Sosial PDRM for PDRM Kontinjen Kedah organise Kejohanan Golf Amal for tahfiz school and orphanage home;

iv. Donation to Persatuan Langkawi International Folding Bike Festival 2022; and

v. Donation to Langkawi Golf Association for Ramadhan celebration.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONTINUED)

CONCLUSION

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.

Yours sincerely,

HJ MAZRU MAT YUSOF
Executive Chairman

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

The Malaysian Code of Corporate Governance defines corporate governance as: "the process and structure used to direct and manage the business and affairs of the company towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value, whilst taking into account the interests of the other stakeholders."

The Board of Directors of Nexgram Holdings Berhad ("the Company") believes in upholding the standards of corporate governance in conducting the affairs of the Company and its group of companies ("the Group") with integrity, transparency and professionalism. The Board of Directors ("the Board") commits to ensure that a sound framework of best practices of good corporate governance as prescribed in the Malaysian Code on Corporate Governance 2021 ("MCCG 2021"), is generally implemented and in place at all levels of the Group's businesses to protect and enhance long-term shareholders' value and all stakeholders' interest. This statement also serves as a compliance with Rule 15.25 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Board is pleased to set out below the manner in which the Group has applied the three main principles in the MCCG 2021 known as Board Leadership and Effectiveness (Principal A), Effective Audit And Risk Management (Principal B) and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (Principal C) throughout the financial year ended 31 July 2022.

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

The Board takes full responsibility for the performance of the Group. The Board's duties and responsibilities, including but not limited to, determining the Group's overall strategic plans, performing periodic review of business and financial performance, engaging in succession planning, reviewing the adequacy and the integrity of the management information and internal control systems of the Group and the company, as well as adopting practical risk management and internal controls for the Group and the Company.

The roles and responsibilities of the Executive Chairman and Managing Director are distinct, separate and clearly defined. The Executive Chairman holds the principal obligations in focusing, guiding, addressing, supervising, regulating, managing and controlling as well as communicating the Company's goals and objectives, as well as all significant corporate matters, corporate restructuring plans, business extension plans and proposals. The Executive Chairman is also responsible for proposing, developing and implementing applicable and relevant new policies and procedures.

The Board has established three (3) Board Committees, namely Audit Committee, Nomination Committee and Remuneration Committee that are delegated with specific responsibilities and authorities to assist the Board in executing its duties and to provide the Board with recommendations and advices. The delegation of authority to the Committees enables the Board to achieve operational efficiency, by empowering each Committee to review, report and make recommendations to the Board on matters relevant to their roles and responsibilities. Each Committee is governed by its own Terms of Reference which sets out its functions and duties, composition, rights and meeting procedures. These Terms of Reference are reviewed periodically in accordance with the needs of the Company and taking into account the changes in the business, governance and legal environment that may have an impact on the discharge of the Committees' duties and responsibilities.

Board Charter

A Board Charter was formalised to set out the composition and balance, roles and responsibilities, operation and processes of the Board and is to ensure that all Board members are aware of their duties and responsibilities as Board members.

The Board will periodically review the Board Charter and make necessary amendments to ensure it remains consistent with the Board's objectives, current law and practices. A copy of the Board Charter is available on the Company's website at www.nexgram.co.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONTINUED)

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. Board Responsibilities (Continued)

Code of Conduct

The Board recognises the need and importance of formalising and committing to ethical values through a code of conduct to ensure the implementation of appropriate internal systems to support, promote and ensure its compliance. The Code of Ethics and Conduct had been uploaded on the Company's website at www.nexgram.co.

Whistleblowing Policy

The Board is committed to achieve and maintaining high standards of corporate governance practices across the Group. A Whistle-blowing policy is implemented to provide a channel to enable Directors, Employees, Shareholders, Vendors or any parties with a business relationship of the Group with an avenue to report suspected wrongdoings that may adversely impact the Group. It also outlines the procedures for reporting a genuine concern on any breach of conduct that are taking place, have taken place or may take place in the future. The Company treats all reports in a confidential manner and at the same time provides protection to anyone who reports such concerns in a good faith.

Further details pertaining to the Whistle-blowing Policy can be found at the Company's website at www.nexgram.co.

Anti-Bribery and Corruption Policy

The Malaysian Anti-Corruption Commission Act 2009 was amended in 2018 to incorporate section 17A on corporate liability for corruption which took effect on 1 June 2020. The said laws prohibit acts of bribery and corruption and mandate that companies establish and maintain adequate procedures to prevent bribery and corruption. In this regard, the Company had on 29 May 2020 put in place an Anti-Bribery and Anti-Corruption Policy which governs all forms of bribery and corruption in the Group.

Further details pertaining the Anti-Bribery and Anti-Corruption Policy can be found at the Company's website at www.nexgram.co.

Diversity Policy

The Board has established a Diversity Policy, which forms part of the Board Charter to strictly adheres to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, which includes the selection of Board members and senior management. With regard to boardroom diversity, the Board is supportive of diversity in gender, ethnicity and age. The Board will endeavour to improve diversity in the Board by widening the scope of Director sourcing and actively looking for Directors to add relevant expertise to the Board.

As at the date of the Statement, two (2) out of five (5) of the Directors are female Directors.

Company Secretary

The Board is supported by qualified and competent Company Secretary who is responsible for ensuring that the Company's constitutions, procedures, policies and regulations are complied with. Also ensuring that, all obligations required by the regulatory and under the Listing requirements are fulfilled in a timely manner. The Board is regularly updated and advised by the Company Secretary on any new statutory and regulatory requirements in relation to their duties and responsibilities. The Board recognises that the Company Secretary is suitably qualified and capable of carrying out the duties required. The Board is satisfied with the service and support rendered by the Company Secretary in discharge of their functions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONTINUED)

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I. Board Responsibilities (Continued)

Company Secretary (Continued)

The Board meets on a quarterly basis with additional meetings being convened when necessary to address urgent matters. All the Directors have complied with the minimum attendance requirements as stipulated by the Ace Market Listing Requirements of Bursa Malaysia. The Board held Eight (8) meetings during the financial year ended 31 July 2022 and the attendance at the meetings were as follows:

Directors	No. of Meetings attended
Dato' Lew Shiong Loon, Bob *(Appointed on 15 August 2022)*	2/3
Lai Hui Yeen *(Appointed on 15 August 2022)*	3/3
Faridah Binti Jaafar *(Appointed on 19 August 2022)*	2/2
Hj Mazru Mat Yusof	8/8
Dato' Yek Siew Lee, Roman	8/8
Dato' Sri Rusli Bin Ahmad *(Resigned on 16 August 2022)*	5/5
Ong Tian Soon *(Resigned on 15 August 2022)*	5/5
Zaharin bin Ahmad Zamani *(Resigned on 16 August 2022)*	5/5
Fu Lit Fung *(Resigned on 16 August 2022)*	4/5

Training of Directors

The Board is aware of the importance for its members to undergo continuous training to keep themselves abreast of the latest development in the economy, industry and technology, as well as to be updated on changes to regulatory requirements in order for them to discharge their duties and responsibilities more effectively.

All the Directors have attended the Mandatory Accreditation Programme ("MAP") as prescribed by the ACE Market Listing Requirements of Bursa Securities.

The Board encourages its Directors to attend talks, seminars, workshops and conferences to update and enhance their skills and knowledge to enable them to carry out their roles effectively as Directors in discharging their responsibilities towards corporate governance, operational and regulatory issues. The Directors are briefed by the Company Secretary on the letters and circulars issued by Bursa Securities, if any, at every Board meeting.

During the financial year, all the Directors had participated in various training programs. Particulars of the seminars and courses attended are as follows:

Name of Directors	Date	Seminar / Training Course Title
Hj Mazru Mat Yusof	9 November 2021 16 June 2022	Virtual CFO Event "Gen Z and the Future for Accountancy" Capitalising on Government Grants and Financing
Dato' Yek Siew Lee, Roman	22 Sep 2022	Board of Directors: Compliance, Resilience, Emerging, Trends & Challenges

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONTINUED)

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II Board Composition

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

The Board currently of five (5) Directors is made up of three (3) Independent Non-Executive Director, one (1) Managing Director and one (1) Executive Chairman.

The Board believes that the current size and composition reflects an appropriate balance of Executive and Non-Executive Directors which is adequate for the scope and nature of the Group's business and operations.

The Managing Director is responsible for the daily operations of a company, organization, or corporate division. Managing Director primarily work as the heads of individual business units within a company rather than heading up the company as a whole. As a member of senior management, the managing director is also expected to keep a company solvent and to promote expansion and innovation within the industry.

The Executive Chairman is responsible for the overall performance and operations as well as the corporate affairs and administration of the Group. He is assisted by the Key Management of the Group in managing the business activities of the Group towards achieving strategic goals and objectives in the manner that is consistent with the policies, procedures and practices of the Group and in accordance with the specific plans, instructions and directions set by the Board.

The Non-Executive Directors are independent from the management and majority shareholders. They play an important role in contributing their expertise and experiences to give independent judgement to the Board on issues of strategy, performance and resources, including major policies, key directions and standards of conduct.

In compliance with the recommendations of Malaysian Code On Corporate Governance, all of the Independent Directors of the Company has tenure not exceeding a cumulative term of nine (9) years.

Gender Diversity

The Board has no specific policy on gender, age and ethnicity for candidates to be appointed to the Board. The evaluation of the suitability of candidates is based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company.

The Nomination Committee, will however continue to take steps to ensure that gender, age and ethnicity of the candidates will be taken into consideration as part of its recruitment exercise.

The Board acknowledges the importance of gender diversity as an important element of well-functioning Board. Currently, the Board comprise with two (2) Directors of the Board are women.

Nomination Committee

The Company's Nomination Committee ("NC") comprised three (3) Non-Executive Directors. The current members of the NC are as follows:-

1. Faridah Binti Jaafar (Chairman)
2. Dato' Lew Shiong Loon, Bob
3. Lai Hui Yeen

The Board has been through the NC, assessed on an annual basis with the use of board matrix, questionnaires and other evaluation forms, the size, composition, mix of skills, experience, competencies of the existing Board, the individual Directors, the independence and tenure of the Independent Directors, and the effectiveness of the Board and the Board Committees, to identify gaps in the Board composition and the needs to identify and select new members to the Board or Board Committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONTINUED)

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II Board Composition (Continued)

Nomination Committee (Continued)

The Terms of Reference of the NC are available at the Company's website at www.nexgram.co.

The Company's Constitution provides that one-third (1/3) or nearest to one-third (1/3) of the Directors for the time being shall retire from office and be eligible for re-election provided always that all the Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. All the retiring Directors will abstain from deliberations and decisions on their own eligibility to stand for re-election at the Board Meeting.

In considering whether to recommend a Director who is eligible to stand for re-election, the NC would consider a variety of factors, including:-

- the Director's contributions to the Board and ability to continue to contribute productively;
- the Director's attendance at Board and committee meetings;
- the Director's compliance with the Code;
- whether the Director continues to possess the attributes, capabilities and qualifications considered necessary or desirable for Board service; and
- the independence of the Director.

III Remuneration

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives. The remuneration policies and decisions are made through a transparent and independent process.

Remuneration Policy

The Board Remuneration Policy was established with the objective to guide the Group in attracting, retaining and motivating highly qualified individuals to serve on the Board and Key Senior Personnel. On a yearly basis, the Remuneration Committee reviewed and recommended to the Board the remuneration packages of the Executive Directors, while the remuneration for the Non-Executive Directors was determined by the Board as a whole. Fees and benefits payable to the Directors are subject to approval by the shareholders at the Company's AGM. The affected Directors had abstained from participation in deliberations and decisions regarding their individual remuneration.

In making its recommendation, the Remuneration Committee considered the principles set out in the Board Remuneration Policy. Board remuneration was structured to align rewards to corporate and individual performances besides adequately compensate the Directors for risks and complexities of the duties and responsibilities they assumed. The Remuneration Committee also obtained data for similar roles of other public listed companies in the same industry for comparison.

All Executive Directors and Key Senior Personnel are subject to an annual performance process. The individual performance rating serves as a basis to determine their variable compensation payments and thereby rewards individual performance. The Board Remuneration Policy also covers bonus framework for the Executive Directors and Key Senior Personnel, which link their appraisal process to specific reward and incentive outcomes. The appraisal process will assess the individual performance against the Key Performance Indicator targets and competency capability in meeting the Group's core values and Leadership and Management Expectations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONTINUED)

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

III Remuneration (Continued)

Director's Remuneration

The objective of the Company's policy on Directors' remuneration is to ensure the level of remuneration is sufficient to attract and retain the Directors to run the Company successfully. The aggregate remuneration paid or payable to all Directors of the Company for the financial year ended 31 July 2022 is as follows:

Group Level

Name of Directors	Feee/Salaries and Other Emoluments	Bonus	EPF and SOCSO	Benefits in Kind	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Non-Executive Directors					
Dato' Lew Shiong Loon, Bob (1)	-	-	-	-	-
Lai Hui Yeen (1)	-	-	-	-	-
Faridah Binti Jaafar (2)	-	-	-	-	-
Dato' Sri Rusli Bin Ahmad (3)	63.8	-	-	-	63.8
Ong Tian Soon (4)	39.6	-	-	-	39.6
Fu Lit Fung (3)	38.2	-	-	-	38.2
Zaharin Bin Ahmad Zamani (3)	39.6	-	-	-	39.6
Executive Directors					
Hj Mazru Mat Yusof	195.0	-	23.4	-	218.4
Dato' Yek Siew Lee, Roman	120.0	-	-	-	120.0

(1) Appointed on 15 August 2022
(2) Appointed on 19 August 2022
(3) Resigned on 16 August 2022
(4) Resigned on 15 August 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONTINUED)

PRINCIPAL A - BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

III Remuneration (Continued)

Director's Remuneration (Continued)

Company Level

Name of Directors	Salaries and Other Emoluments	Bonus	EPF and SOCSO	Benefits in Kind	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Non-Executive Directors					
Dato' Lew Shiong Loon, Bob [(1)]	-	-	-	-	-
Lai Hui Yeen [(1)]	-	-	-	-	-
Faridah Binti Jaafar [(2)]	-	-	-	-	-
Dato' Sri Rusli Bin Ahmad [(3)]	63.8	-	-	-	63.8
Ong Tian Soon [(4)]	39.6	-	-	-	39.6
Fu Lit Fung [(3)]	38.2	-	-	-	38.2
Zaharin Bin Ahmad Zamani [(3)]	39.6	-	-	-	39.6
Executive Directors					
Hj Mazru Mat Yusof	-	-	-	-	-
Dato' Yek Siew Lee, Roman	120.0	-	-	-	120.0

(1) Appointed on 15 August 2022
(2) Appointed on 19 August 2022
(3) Resigned on 16 August 2022
(4) Resigned on 15 August 2022

The details of the remuneration of the Key Senior Personnel (including salary, bonus, benefit in kind and other emoluments) in each successive bands of RM100,000.00 during the financial year ended 31 July 2022 are as follows:-:

Range of Remuneration	Designation
RM100,000 and below	1
RM100,001 – RM200,000	1
RM200,001 – RM300,000	-
RM300,001 – RM400,000	-
RM400,001 – RM500,000	-
RM500,001 – RM600,000	1
Total	**3**

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONTINUED)

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I Audit Committee

There is an effective and independent audit committee. The board is able to objectively review the audit committee's findings and recommendations. The company's financial statement is a reliable source of information.

The Audit Committee comprises wholly of Independent Non- Executive Directors. The Audit Committee Report is set out separately in the Annual Report. Full details of the Audit Committee's duties and responsibilities are stated in its Terms of Reference which is available on the Company's website.

The current Audit Committee consists of the following members:

1. Dato' Lew Shiong Loon, Bob (Chairman)
   (Independent Non-Executive Director)
2. Faridah Binti Jaafar
   (Independent Non-Executive Director)
3. Lai Hui Yeen
   (Independent Non-Executive Director)

The Terms of Rreference and activities during the financial year of the Audit Committee are presented in the Audit Committee Report of this Annual Report.

II Risk Management and Internal Control Framework

Company makes informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. The Board is provided with a reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

The Board is fully aware of its overall responsibility of continually maintaining a sound system of internal control, which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investments and the Company's assets. The internal control system is designed to identify the risks to which the Group is exposed and mitigate the impacts thereof to meet the particular needs of the Group.

As an effort to enhance the system of internal control, the Board together with the assistance of external professional Internal Audit firm will undertake to review the existing risk management process in place within the various business operations, with the aim of formalising the risk management functions across the Group. This function also acts as a source to assist the Audit Committee and the Board to strengthen and improve current management and operating style in pursuit of best practices.

Internal Control Plan

The Board also acknowledges that the Group's business activities involve some degree of risk that may affect the achievement of its business objectives and an effective risk management should be an integral part of the Group's daily operations.

It is the responsibility of Key Management Personnel which is the head of subsidiary companies to identify, evaluate and manage risks faced by the Group on an on-going basis within defined parameters. The deliberation of risks and related mitigating responses are carried out at regular management meetings attended by the Executive Directors and Key Management Personnel staffs. Significant risks are communicated to the Board at the quarterly scheduled meetings. The practices and initiatives by Management serve as an on-going process adopted by the Group to continuously review, identify, evaluate and manage risks faced by the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONTINUED)

PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I Communication with Stakeholders

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

Relationship with Shareholders

The Board recognises the need for transparency and accountability to the Company's shareholders as well as regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Company. The Company ensures the timely release of the quarterly financial results, press releases and corporate announcements that are made to its shareholders and investors, are clear, unambiguous, succinct, accurate, and contains sufficient and relevant information to enable shareholders and investors to make informed investment decisions.

II Conduct of General Meetings

S**hareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at general meetings.**

The AGM is the principal forum for dialogue with shareholders. It is a useful opportunity for the Directors to promote and encourage bilateral communications with its shareholders through participation at the AGM. The external auditors are also present to provide their professional and independent clarification on issues of concern raised by the shareholders, if any.

All resolutions put forward to a general meeting for voting are to be decided on a poll. A scrutineer will be appointed to monitor the conduct of polling for each general meeting. The outcome of all resolutions proposed in general meeting, including the total number of votes cast on the poll (together with percentage) in favour of and against of each resolution, will be announced to Bursa Securities at the end of the meeting day.

The Company also maintains a website (www.nexgram.co) that allows the shareholders, investors and members of the public in general access to the latest information about the Group.

Corporate Disclosure Policy

The Board has adopted a corporate disclosure policy to provide effective communication to its shareholders and general public regarding the business, operations and financial performance within the Group and where necessary, information filed with regulators is in accordance with all applicable legal and regulatory requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONTINUED)

STATEMENT OF COMPLIANCE WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE ("MCCG")

The Board has complied most of the recommended practices of the MCCG throughout the financial year ended 31 July 2022, except for the following:-

1) Practice 1.2 – to have Chairman of the Board who is responsible for instilling good corporate practices, leadership and effectiveness of the Board is appointed;
2) Practice 1.4 – the Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee;
3) Step Up 5.4 – to have a policy to limit the tenure of independent directors to nine (9) years without further extension;
4) Practice 5.10 – to disclose in its annual report the company's policy on gender diversity for the board and senior management;
5) Practice 8.2 – to disclose the top three (3) senior management's remuneration in bands of RM100,000 on a named basis;
6) Step Up 8.3 – to fully disclose the detailed remuneration of each member of senior management on a named basis; and
7) Step Up 10.3 – to establish a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

The Board acknowledges that achieving excellence in corporate governance is a continuous process and is committed to playing a pro-active role in steering the Group towards the highest level of integrity and ethical standards.

The Board of Directors have approved this Corporate Governance Overview Statement and Corporate Governance Report for issuance.

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee of Nexgram Holdings Berhad ("Nexgram" or "the Company") is chaired by an Independent Director, comprises of three (3) members, all of whom are Non-Executive Independent Directors. The current composition meets the requirement of Rule 15.09 and 15.10 of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("BMSB"). The Audit Committee currently comprises the following Non-Executive Directors, namely:

Chairman
Dato' Lew Shiong Loon, Bob

Members
Lai Hui Yeen
Faridah Binti Jaafar

The Audit Committee of Nexgram was established with the objective of assisting the Board of Directors of Nexgram in the areas of corporate governance, systems of internal controls, risk management and financial reporting of the Group to:

(i) evaluate the quality of the audits performed by the internal and external auditors;
(ii) provide assurance that the financial information presented by the management is relevant, reliable and timely;
(iii) overseeing compliance with laws and regulations and observance of a proper code of conduct; and
(iv) determine the quality, adequacy and effectiveness of the Group's control environment.

MEETINGS

During the financial year, the Audit Committee conducted five (5) meetings of which all were duly convened with sufficient notices given to all Audit Committee members together with the agenda, report and proposals for deliberation at the meetings. The Executives were invited to all Audit Committee meetings to facilitate direct communication as well as to provide clarification on audit issues and the operations of the Group.

Representatives from the External Auditors and Internal Auditors, as the case may be, were in attendance to present the relevant reports and proposals to the Audit Committee at the meetings which included inter alia, the Auditors' audit plans, audit reports and the audited financial statements for the financial year ended 31 July 2022.

In the Audit Committee meetings, the external auditors were given opportunities to raise any matters and unrestricted access to contact members of the Audit Committee at any time should they become aware of incidents or matters during the course of their audits or reviews. Minutes of the Audit Committee meetings were tabled for confirmation at the following Audit Committee meetings and subsequently presented to the Board for notation.

Details of attendance of the Audit Committee members at the Audit Committee meetings are as follows:

Committee Member	**Meeting Attended**
Dato' Lew Shiong Loon, Bob *(Appointed on 15 August 2022)*	1/2
Lai Hui Yeen *(Appointed on 15 August 2022)*	2/2
Faridah Binti Jaafar *(Appointed on 22 August 2022)*	2/2
Ong Tian Soon *(Resigned on 15 August 2022)*	3/3
Zaharin Bin Ahmad Zamani *(Resigned on 16 August 2022)*	3/3
Dato' Sri Rusli Bin Ahmad *(Resigned on 16 August 2022)*	3/3

AUDIT COMMITTEE REPORT
(CONTINUED)

SUMMARY OF ACTIVITIES

The Audit Committees' activities during the financial year under review comprised the following:

Quarterly Financial Statements and Audited Financial Statements

- reviewed the quarterly unaudited financial results before recommending them for Board's approval, focusing particularly on:
  - Any change in accounting policies
  - Significant adjustments arising from audit reviews
  - Compliance with accounting standards and other legal requirements
- reviewed the audited financial statements of the Company prior to submission to the Directors for their perusal and approval. This was to ensure compliance of the financial statements with the provisions of the Companies Act, 2016 and the applicable approved accounting standards as per Malaysian Accounting Standards Board.

External Auditors

- reviewed the external audit planning memorandum, outlining the audit scope, audit process and areas of emphasis based on the external auditors' presentation of audit plan;
- reviewed the external audit committee memorandum and the response from the Management;
- consideration and recommendation to the Board for approval of the audit fees payable to the external auditors;
- reviewed the performance and effectiveness of the external auditors in the provision of statutory audit services and recommend to the Board for approval on the re-Appointed of external auditors;
- reviewed and evaluated the factors relating to the independence of the external auditors; and
- the total fee incurred in external audit amounted to RM233,000.00 (excluding Sales and Services Tax and disbursements).

Internal Auditors

The Group outsources its Internal Audit Function to a professional firm. The Internal Auditors were engaged to conduct regular review and appraisals of the effectiveness of the governance, risk management and internal control process within the Company and the Group.

The Internal Auditors report directly to the Audit Committee. The appointed Internal Auditors are given full access to all the documents relating to the Company's and Group's governance, financial statements and operations.

The Audit Committee reviewed the internal auditors' report on Collection Management Review of Tri-G Technologies Sdn Bhd.

AUDIT COMMITTEE REPORT
(CONTINUED)

INTERNAL AUDIT FUNCTION

The Audit Committee is aware of the fact that an adequately resourced Internal Audit Function is essential to provide independent and objective advice on the effectiveness of the Group's internal controls to the Audit Committee and thereafter to the Management.

The Group has outsourced the internal audit. The audit was performed and reviewed all operating units within the Group, with emphasis on principal risks areas. Risk based approach was adopted towards planning and conducts of audits which are partly guided by the Corporate Risk Management framework. The scope of work is as follows:-

- To evaluate the system of internal control based upon the Group's standard operational manuals and put forward recommendations to the Audit Committee and senior management;
- To assess the Group's Risk Management Framework and Corporate Governance Policy;
- To establish an overview of the adequacy and effectiveness of the system of Internal Control within the Group in order to provide reasonable assurance regarding the effectiveness and efficiency of operations and compliance with established policies, procedures, applicable laws and regulations;
- To address issues or concerns as requested by Audit Committee or Senior Management and review existing operations or internal audit programs to determine whether they are consistent with the Audit Committee's and/or Senior Management's expectation; and
- To review new system of internal controls implemented by the Group so as to determine the progress of the said system is consistent with the goals and objectives of the Group.

Further details of the activities of the internal audit function are set out in the Statement on Risk Management and Internal Control in this Annual Report.

For the financial year ended 31 July 2022, the cost incurred for the internal audit function was RM15,000.00 (2021: RM15,000.00)

RELATED PARTY TRANSACTION AND CONFLICT OF INTEREST

At each quarterly meeting, the Audit Committee reviewed the recurrent related party transactions ("RRPT") and conflict of interest situation that may arise within the Company and the Group including any transaction, procedure or course of conduct that raise questions on Management's integrity.

The Audit Committee reviewed the RRPT and conflict of interest situation presented by the Management prior to the Company entering into such transaction. The Audit Committee also ensured that adequate oversight over the controls on the identification of the interested parties and possible conflict of interest situation before entering into transactions.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Nexgram Holdings Berhad are pleased to present the Statement on Risk Management and Internal Control ("SORMIC") of the Group in accordance with Rule 15.26 (b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Principles and Best Practices provisions relating to risk management and internal controls provided in the Malaysian Code on Corporate Governance ("MCCG"). This Statement has been prepared in accordance with the Statement on Risk Management and Internal Control: Guideline for Directors of Listed Issuers issued by the Task Force with the support and endorsement of Bursa Securities.

ROLES AND RESPONSIBILITIES

Board of Directors

The Board of Directors ("BOD") recognise and affirm its overall responsibility in maintaining a sound system of Group's internal control and the need to regularly review its adequacy and integrity. The system covers not only financial controls but also operational and compliance controls. In view of the limitations inherent in any internal control system, the Group's system of internal control put in place by the Management can only manage risk within tolerable levels, rather than eliminate the risk of failure to achieve business objectives. Hence, such system by its nature can only provide reasonable and not absolute assurance against material misstatement, error or losses.

Audit, Nomination and Remuneration Committee

Board committees such as Audit Committee, Nomination Committee and Remuneration Committee are established by the BOD, and they are governed by clearly defined terms of reference and authority for areas within their scope.

RISK MANAGEMENT FRAMEWORK

The Board also acknowledges that the Group's business activities involve some degree of risk that may affect the achievement of its business objectives and an effective risk management should be an integral part of the Group's daily operations.

It is the responsibility of Key Management Personnel which is the head of subsidiary companies to identify, evaluate and manage risks faced by the Group on an on-going basis within defined parameters. The deliberation of risks and related mitigating responses are carried out at regular management meetings attended by the Executive Directors and key management staffs. Significant risks are communicated to the Board at the quarterly scheduled meetings. The practices and initiatives by Management serve as an on-going process adopted by the Group to continuously review, identify, evaluate and manage risks faced by the Group.

INTERNAL CONTROL SYSTEM

The Board regularly reviews internal control issues identified by internal auditors, management and evaluates the adequacy and effectiveness of the Group's risk management and internal control system on an on-going basis. The Group's key elements of internal control are as follows:

1. Clearly defined delegation of responsibilities to management and operating units, including authorisation levels for key aspects of the business.

2. Clearly documented internal policies, guidelines, procedures and manual, which are updated from time to time.

3. Regular meetings are held at operational and management levels to identify and resolve business, financial, operational and management issues and address weaknesses and improve efficiency.

4. Engage and appoint solicitors, financial advisors and other competent professional as may be required in respect of any corporate exercise undertaken by the Group.

5. Financial results are reviewed on a quarterly basis by the Board and Audit Committee.

6. Informal Board and management meetings at operational level are held during the financial year in order to assess performance and controls.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(CONTINUED)

INTERNAL AUDIT FUNCTIONS

The Board acknowledges the importance of the internal audit function and has outsourced its internal audit function to an independent business consulting firm as part of its efforts to provide adequate and effective internal control systems. The internal audit function adopts a risk-based approach in addition to an independent and objective reporting on the state of Group's internal control system.

The Internal Auditors has performed the Risk Assessment on Collection Management Review of Tri-G Technologies Sdn Bhd, the 51% owned subsidiary.

Through the reviewed, assessed and commented on the effectiveness and adequacy of the existing control policies and procedures and provide recommendations for the improvement of the control policies and procedures. The Board continues to take measures to strengthen the control environment. In the financial year under review, there were no material losses incurred as a result of weakness in internal control that would required disclosure in this Annual Report.

The Board will continue to improve and enhance the existing system of internal control to ensure its adequacy and relevance in safeguarding the shareholders' interests and the Group's assets.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITOR

Pursuant to Rule 15.23 of the Listing Requirement of Bursa Malaysia Securities Berhad, the External Auditor has reviewed this SORMIC for inclusion in the Annual Report of the Group for the financial year ended 31 July 2022. The External Auditor has reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

CONCLUSION

The Board is satisfied that during the year under review, there is a process to manage the Group's system of internal controls to mitigate any significant risks faced by the Group so as to safeguard shareholders' interests and the Group's assets.

The Board has approved this statement for issuance.

DIRECTORS' RESPONSIBILITY STATEMENT IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required to take reasonable steps in ensuring that the financial statements of the Group and of the Company are properly drawn up in accordance with the provisions of the Companies Act, 2016, applicable financial reporting standards and approved accounting standards in Malaysia so to give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and the cash flows of the Group and of the Company for that year ended.

The Directors consider that in preparing the financial statements for the financial year ended 31 July 2022:

- The Group and the Company have adopted the appropriate accounting policies and applied them consistently;
- reasonable and prudent judgements and estimates have been made;
- all applicable approved accounting standards in Malaysia have been followed; and
- the financial statements have been prepared on a going concern basis.

The Directors are also responsible for ensuring that the Group and of the Company maintain proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company, to enable them to ensure that the financial statements comply with the Companies Act, 2016.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities as well as material misstatements. Such systems, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

ADDITIONAL COMPLIANCE INFORMATION

OTHER DISCLOSURES

STATUS OF UTILISATION OF PROCEEDS

Disposal of one block of 11-storey stratified office building located at Kuala Lumpur for a total consideration of RM67,000,000.00.

On 31 December 2018, Coconut Three Sdn Bhd, a wholly-owned subsidiary of the Company has entered into a Sale and Purchase Agreement ("SPA") with IMS Development Sdn Bhd ("IMS") for the disposal of one block of 11-storey stratified office building located at Kuala Lumpur for a total consideration of RM67,000,000.00.

On 23 August 2019, an Extraordinary General Meeting ("EGM") of the Company was held for the purpose to obtain approvals of all relevant parties and/or authorities Coconut Three Sdn Bhd to dispose Nexgram Tower to IMS for a cash consideration of RM67,000,000.00 and upon such terms and conditions as set out in the sale and purchase agreement ("SPA") dated on 31 December 2018.

The Disposal has been completed on 25 June 2020 in accordance with the terms and conditions of the SPA.

The proceeds arising from the disposal of RM67,000,000.00 were utilised as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended timeframe for utilisation
Repayments of bank borrowings	48,800	48,655	Within six (6) months
Provision of payment of judgement sum to Spacious Glory Sdn Bhd	12,500	-	Within six (6) months
Retention of rental and utilities deposits paid by Nexgram Tower's tenants	1,000	894	Within six (6) months
Payment to non-trade creditors	1,600	1,241	Within six (6) months
Working capital	2,800	15,826	Within six (6) months
Expenses in relation to the Proposed Disposal	300	384	Within one (1) months
Total	**67,000**	**67,000**	

SHARE BUYBACK

The Company had at its Seventeenth Annual General Meeting held on 28 December 2021 obtained approval from the shareholders in relation to the Share Buy-Back authority, whereby the Directors were authorized to purchase and/or hold at any point in time up to ten per cent (10%) of the issued and paid share capital of the Company for the time being quoted on the Bursa Malaysia Securities Berhad.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no other exercise or grant of options, warrants or convertible securities in issue during the financial year under review except 10,000 Warrants A were exercise price of RM0.10 per share.

DEPOSITORY RECEIPT PROGRAMME

The Company has not sponsored any depository receipt program during the financial year under review.

ADDITIONAL COMPLIANCE INFORMATION
(CONTINUED)

IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on the Company and/or its subsidiaries, Directors or management by any regulatory bodies during the financial year under review.

NON-AUDIT FEE PAID TO EXTERNAL AUDITORS

There was a non-audit fee paid to the external auditors for the financial year under review amounting to RM18,000.00.

VARIANCE IN RESULTS

The Company did not make any public release on profit estimate, forecast or projection for the financial year under review.

There was no deviation of 10% or more in the profit after tax and minority interest between the audited and the unaudited results announced for the financial year ended 31 July 2022.

PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year under review.

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts or loans entered into by the Company and its subsidiaries involving the interests of the Directors and major shareholders during the financial year under review.

CONTRACTS RELATING TO LOAN WITH DIRECTORS AND/ OR MAJOR SHAREHOLDERS

Save for the advances from the Executive Directors to the Company, there were no other contracts relating to a loan involving Directors and/or major shareholders during the financial year under review.

SUSTAINABILITY STATEMENT

The Board of Directors are responsible for the Group's sustainability strategies and performance and is supported by the Group's management to identify sustainability matters, oversee the implementation and monitor its progress. The Group continuously reviews its sustainability practices and efforts to ensure they remain relevant as best practices.

STAKEHOLDER ENGAGEMENT

We place great value on our diverse stakeholders and by engaging with them regularly, we are able to better understand their viewpoints and align their needs in our business decisions.

Stakeholders	Engagement channels	Frequency of engagement	Topics
Investors	➢ General meetings ➢ Corporate announcements ➢ Website	➢ Annual ➢ Quarterly ➢ As and when required	➢ Long term value creation ➢ Corporate governance and sustainability practices
Customers	➢ Email ➢ Phone ➢ Social media	➢ As and when required	➢ Affordable product and solution ➢ Product and service quality
Suppliers/ Contractors/ Consultants	➢ Formal meetings ➢ Assessments and reviews ➢ Written communication	➢ As and when required	➢ Timely payments ➢ Product quality
Employees	➢ Management meetings ➢ Performance appraisals ➢ Employee engagement activities ➢ Training and development ➢ E-communications and memo	➢ Weekly ➢ Bi-annual ➢ Annual ➢ Regular	➢ Welfare and benefits ➢ Career development
Regulators/ Government agencies/ Local authorities	➢ Formal meetings ➢ Written communication	➢ As and when required	➢ Compliance

SUSTAINABILITY STATEMENT
(CONTINUED)

MATERIAL SUSTAINABILITY MATTERS

The Sustainability Statement covers the areas – Economic, Environment and Social that we plan to focus our attention in immediate future.

(a) Economic

We ensure that our sustainability practices are extended to all of our stakeholders are well being taken care of. As part of the Group's mission, we strive to deliver sustainable quality products and services to our customers. As such, we place emphasis on the procurement of materials and products to ensure the suppliers are reputable, able to deliver quality products that are free from defects and in a timely manner whilst being most cost efficient so as to ensure our branding remain affordable to the customers and to build their confidence and trust. By having a majority of our suppliers being locally based, this will in turn help build the local economy. Besides, we committed to recover our financial position and enhancing our competitiveness through adopting good and ethical business practices, corporate governance as well as effective capital management.

(b) Environment

The Group recognises the impact of its day-to-day business on the environment. As such, the Group is committed by implementing environmentally-friendly work processes while raising the environmental awareness among its staff.

(c) Social

(i) Employee Retention, Development and Engagement

a) Employee Welfare

The Group continues to ensure that the reward packages remain competitive to attract, retain and motivate the right talent with the relevant working performance, qualification and experience. The Group believes that in engaging our employees promote cohesion and strengthen the relationship between peers. We continued our endeavours to bring closer ties among the employees which promote understanding between each other in order to create harmony and peace in workplace. At Nexgram, recruitment of dynamic individuals includes from internship, fresh graduates to experienced hires and they are given equal opportunities to achieve their full potential.

b) Training and Development

We aspire to grow with our people and we invest in both their work-related and personal development. In general, we continuously monitor our employees and offer training and upskilling opportunities to their areas of work, positions, talents and interests. We provide both external trainings particularly in technical and management skills. Our established appraisal guidelines also enable us to identify and implement development programmes for our employees.

c) Community Contributions and Development

We believe delivering sustainable growth is a social obligation that not only for the Group, but for the people and the surrounding communities. Kindly refer to Management Discussion and Analysis at page 14 on CSR. As our business will continue to strive in future, we will continue our effort to be a responsible corporate citizen and will create corporate culture that will inculcate responsible and caring mentality across the Group and to transform corporate giving efforts into strategies for community development and improvement.

d) Workforce Diversity

The Group does not discriminate any of its employees/ potential employees in terms of age, gender, physical disability or religion where the evaluation of the suitability of candidates for filling of casual vacancy is solely based in the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company.

SUSTAINABILITY STATEMENT
(CONTINUED)

MATERIAL SUSTAINABILITY MATTERS (CONTINUED)

(c) Social (Continued)

(ii) Occupational Health and Safety

We believe that providing employees with a safe and healthy working environment is essential for ensuring long term business sustainability. We have complied the best of our ability to adhere to the existing standards, laws and regulations which relevant to the operation. The Group is continuously making improvements to our safety-related efforts to achieve an injury-free and safe workplace.

<u>Our Response to Covid-19</u>

During the 2020, Covid-19 Pandemic which continues to affect Malaysia, the Group have taken all the necessary precautions and have implemented new office policies guided through the guidelines set by the Malaysian authorities and Health Ministry. The safety and wellbeing of the staff is paramount and the Group is making every effort to protect against the spread and minimize the risk to the employees. Meanwhile, the Company also performed Covid-19 test swab for all the staffs every week. Besides, the Company also taken extra steps to insure the staffs with medical insurance.

CONCLUSION

We acknowledge that there are still areas for improvement with respect to our sustainability initiatives and targets. We will continue to achieve our goal of building a sustainable business for the future while establishing our strategies to mitigate and recover from the effects of the pandemic. We will continue to keep abreast with developments in our operating environment, actively engage our stakeholders and build on our foundation to further promote sustainable practices/ initiatives within our organisation.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 July 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of corporate and management services to the Group.

The information of the name, place of incorporation, principal activities and percentage of issued and paid-up share capital held by the holding company in each subsidiaries is as disclosed in Note 9 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial year	(18,959,077)	(85,915,595)
Attributable to:		
Owners of the Company	(15,424,701)	(85,915,595)
Non-controlling interests	(3,534,376)	-
	(18,959,077)	(85,915,595)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those as disclosed in the notes to the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provision during the financial year except as disclosed in the financial statements.

DIVIDENDS

No dividend has been paid or declared since the end of the previous financial year. The directors do not recommend that a dividend to be paid in respect of the current financial year.

SHARES AND DEBENTURES

During the financial year, the Company increased its share capital from RM90,195,510 to RM109,408,507 through the following:

(a) conversion of 741,687,071 Irredeemable Convertible Preference Share ("ICPS") to 741,687,071 new ordinary shares on a basis of one (1) ICPS together with the payment of RM0.02 for every one (1) ordinary shares as disclosed in Note 20(f) to the financial statements.

(b) conversion of 10,000 units of Warrant A of RM1,131 to share capital on a basis of one (1) new warrant for every ten (10) ordinary shares.

(c) transfer from Warrant A of RM4,378,124 to share capital due to the warrant is unexercised and has expired on 17 May 2022.

DIRECTORS' REPORT (CONTINUED)

SHARES AND DEBENTURES (CONTINUED)

The new ordinary shares issued during the financial year ranked pari passu in all respect of the distribution of dividends and repayment of capital with existing ordinary shares.

There were no debentures issued during the financial year.

WARRANTS

WARRANTS A (WARRANTS 2012/2022)

The Company's issuance of new warrants via a Renounceable Rights Issue of 335,382,607 new ordinary shares of RM0.10 each on the basis of one (1) new warrant for every ten (10) ordinary shares subscribed were listed on the Bursa Malaysia Securities Berhad on 23 May 2012.

The salient features and details of the Warrants A were disclosed in Note 20(a) to the financial statements.

The movement of the Warrants A (Warrants 2012/2022) during the financial year is as follows:-

	Number of warrants			
	As at 01.08.2021	Exercised	Expired	As at 31.07.2022
	Units	Units	Units	Units
Warrants A (Warrants 2012/2022)	335,382,607	(10,000)	(335,372,607)	-
	335,382,607	(10,000)	(335,372,607)	-

The 2012/2022 warrants expired on 16 May 2022. The exercise period for the warrants 2012/2022 is 10 years commencing from the date of issuance of the warrants. Warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid.

WARRANTS B (WARRANTS 2013/2023)

The Company's issuance of new warrants via a Renounceable Rights Issue of 159,999,752 new warrants 2013/2023 on the basis of one (1) new warrant for every three (3) existing shares held were listed on the Bursa Malaysia Securities Berhad on 30 July 2013.

The salient features and details of the Warrants B were disclosed in Note 20(a) to the financial statements.

The movement of the Warrants B (Warrants 2013/2023) during the financial year is as follows:-

	Number of warrants			
	As at 01.08.2021	Issued	Exercised	As at 31.07.2022
	Units	Units	Units	Units
Warrants B (Warrants 2013/2023)	159,999,752	-	-	159,999,752
	159,999,752	-	-	159,999,752

DIRECTORS' REPORT (CONTINUED)

WARRANTS (CONTINUED)

WARRANTS C (WARRANTS 2014/2024)

The Company's issuance of new warrants via a Renounceable Rights Issue of 281,684,356 new ordinary shares of RM0.10 each on the basis of one (1) new warrant plus three (3) right issue for every one (1) ordinary shares were listed on the Bursa Malaysia Securities Berhad on 22 January 2014.

The salient features and details of the Warrants C were disclosed in Note 20(a) to the financial statements.

The movement of the Warrants C (Warrants 2014/2024) during the financial year is as follows:-

	Number of warrants			
	As at 01.08.2021	Issued	Exercised	As at 31.07.2022
	Units	Units	Units	Units
Warrants C (Warrants 2014/2024)	281,684,356	-	-	281,684,356
	281,684,356	-	-	281,684,356

WARRANTS D (WARRANTS 2022/2032)

The Company's issuance of new warrants via a Bonus Issue of 882,847,640 warrants on the basis of one (1) Warrant D for every five (5) existing ordinary shares in the Company were listed on the Bursa Malaysia Securities Berhad on 10 March 2022.

The salient features and details of the Warrants D were disclosed in Note 20(a) to the financial statements.

The movement of the Warrants D (Warrants 2022/2032) during the financial year is as follows:-

	Number of warrants			
	As at 01.08.2021	Issued	Exercised	As at 31.07.2022
	Units	Units	Units	Units
Warrants D (Warrants 2022/2032)	-	882,847,640	-	882,847,640
	-	882,847,640	-	882,847,640

OPTIONS GRANTED OVER UNISSUED SHARES

No option were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

The names of the directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Hj Mazru Mat Yusof	
Dato' Yek Siew Lee, Roman	
Dato' Lew Shiong Loon, Bob	(Appointed on 15 August 2022)
Lai Hui Yeen (f)	(Appointed on 15 August 2022)
Faridah Binti Jaafar (f)	(Appointed on 19 August 2022)
Ong Tian Soon	(Resigned on 15 August 2022)
Dato' Sri Rusli Bin Ahmad	(Resigned on 16 August 2022)
Zaharin Bin Ahmad Zamani	(Resigned on 16 August 2022)
Fu Lit Fung	(Resigned on 16 August 2022)

The names of the directors of the subsidiaries of the Company during the financial year until the date of this report, not including those directors listed above are:

Ang Chin Poo
Aw Mun Kong
Mohd Hisham Bin Mohd Yusof
Nor Firdaus Bin Ahmad
Nor Halim Bin Ahmad
Ow Meng Eng
Razman Bin Mohamed
Syed Baba Bin Mohd Gous
Teng Ee Beng
Tey Por Yoong
Wong Kin Chong
Yeoh Seng Tee

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of directors in office at the end of the financial year in the ordinary shares, ICPS and Warrants D (Warrants 2023/2032) of the Company during the financial year were as follows:

	Number of ordinary shares			
Shareholdings in the name of directors	**As at 01.08.2021**	**Acquired**	**Sold**	**As at 31.07.2022 / Date of resignation**
Direct interest				
Hj Mazru Mat Yusof	269,400,000	741,687,071	(859,750,039)	151,337,032
Dato' Yek Siew Lee, Roman	55,163,900	-	-	55,163,900
Dato' Sri Rusli Bin Ahmad (resigned on 16 August 2022)	1,200,000	-	-	1,200,000
Indirect interest				
Hj Mazru Mat Yusof *	-	859,750,039	-	859,750,039
Dato' Sri Rusli Bin Ahmad** (resigned on 16 August 2022)	3,845,000	-	-	3,845,000

* Deemed interested as per Section 8 of the Companies Act 2016 by virtue of his shareholdings in EMEMY Resources Sdn Bhd.

** Deemed interested through immediate family members' shareholding in the Company.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS (CONTINUED)

ICPS holdings in the name of directors	Number of Irredeemable Convertible Preference Shares ("ICPS") As at 01.08.2021	Acquired	Converted	As at 31.07.2022
Direct interest				
Hj Mazru Mat Yusof	741,687,071	-	(741,687,071)	-

Warrants D (Warrants 2022/2033)	Number of Warrants D (Warrants 2022/2033) As at 01.08.2021	Acquired	Sold	As at 31.07.2022 / Date of resignation
Direct interest				
Hj Mazru Mat Yusof	-	30,267,406	-	30,267,406
Dato' Yek Siew Lee, Roman	-	11,030,780	-	11,030,780
Indirect interest				
Hj Mazru Mat Yusof *	-	171,950,007	-	171,950,007
Dato' Sri Rusli Bin Ahmad** (resigned on 16 August 2022)	-	769,000	-	769.000

* Deemed interested as per Section 8 of the Companies Act 2016 by virtue of his shareholdings in EMEMY Resources Sdn Bhd.

** Deemed interested through immediate family members' shareholding in the Company.

By virtue of their interests in the shares of the Company, all the above Directors are also deemed to have interests in the shares of the subsidiary companies to the extent the directors have their interests.

Other than disclosed above, none of the other directors in office at the end of the financial year have any interest in the shares of the Company during the financial year.

DIRECTORS' REMUNERATIONS

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are disclosed in Note 30 to the financial statements.

The details of the other benefits otherwise than in cash received or receivable from the Group and the Company by the directors of the Group and of the Company during the financial year are disclosed in Note 30 to the financial statements.

No payment has been paid to or payable to any third party in respect of the services provided to the Group and the Company by the directors of the Group and of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company as shown in Note 30 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

During the financial year, the fees and other benefits received and receivables by the directors or past directors of the Group and of the Company are as follows:

	Group RM	Company RM
Executive Directors		
- Fees	476,000	-
- Salaries, bonuses and allowances	1,126,374	120,000
- Others	202,344	-
Total	1,804,718	120,000
Non-Executive Directors		
- Fees	168,000	168,000
- Meeting allowance	13,200	13,200
Total	181,200	181,200
Grand Total	1,985,918	301,200

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent to any substantial extent in respect of the financial statements of the Group and of the Company; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

DIRECTORS' REPORT (CONTINUED)

OTHER STATUTORY INFORMATION (CONTINUED)

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

The significant events during and subsequent to the financial year are disclosed in Note 41 to the financial statements.

AUDITORS

The auditors, CAS Malaysia PLT, Chartered Accountants, retire at the forthcoming annual general meeting and do not wish to seek re-appointment.

The auditors' remuneration of the Group and the Company for the financial year ended 31 July 2022 were as follows:

	Group RM	**Company RM**
Statutory audit		
- Current year	206,000	55,000
- Under provision in prior year	2,000	-
Special audit	10,000	10,000
Non-statutory audit	8,000	8,000
	226,000	73,000

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 30 November 2022.

HJ MAZRU MAT YUSOF
Executive Chairman

DATO' YEK SIEW LEE, ROMAN
Managing Director

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **HJ MAZRU MAT YUSOF** and, **DATO' YEK SIEW LEE, ROMAN** being two of the directors of **NEXGRAM HOLDINGS BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 53 to 172 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 30 November 2022.

HJ MAZRU MAT YUSOF
Executive Chairman

DATO' YEK SIEW LEE, ROMAN
Managing Director

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **HJ MAZRU MAT YUSOF,** being the director primarily responsible for the accounting records and financial management of **NEXGRAM HOLDINGS BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 53 to 172 are in my opinion correct, and **I** make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by	)	
HJ MAZRU MAT YUSOF	)	
at Puchong in the state of Selangor Darul Ehsan	)	
on 30 November 2022	)	HJ MAZRU MAT YUSOF

Before me,

TAN KAI YONG
Commissioner for Oath

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEXGRAM HOLDINGS BERHAD (REGISTRATION NO.: 200401021550 (660055-H)) (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NEXGRAM HOLDINGS BERHAD, which comprise the statements of financial position as at 31 July 2022 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 53 to 172.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 July 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEXGRAM HOLDINGS BERHAD (REGISTRATION NO.: 200401021550 (660055-H)) (INCORPORATED IN MALAYSIA) (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matters	How the matter was addressed in the audit
(a) Renovation work-in-progress Refer to Note 3.2, 4.3 and 5 to the financial statements. As at 31 July 2022, the net carrying amount of renovation work-in-progress of the Group amounting to RM21,949,084, which represented for approximately 14% of the Group's total assets. We considered this as key audit matter due to significant judgement is required in determining the progress towards complete satisfaction of the renovation work, the extent of the renovation cost incurred and the estimated total renovation costs.	Our audit procedures include: i. Obtained and reviewed the renovation agreement and other relevant supporting documents of the renovation project; ii. Discussed with management, evaluated the nature of the expenditure incurred and assessed the appropriateness of capitalisation of the renovation cost; iii. Verified the cost incurred to the progress claim and interim progress valuation certified by specialist; iv. Performed site visit to the Project at Langkawi to confirm existence of the renovation; v. Interviewed the Group's specialist and project contractor to understand the status of renovation work-in-progress up to the financial year end; vi. evaluated the independent specialist's and the project contractor's competency, capabilities and objectivity which included consideration of their qualifications and experiences; vii. reviewed the adequacy of disclosure in the financial statements.
(b) Impairment assessment of goodwill Refer to Note 3.6, 4.6 and 10 to the financial statements. As at 31 July 2022, the net carrying amount of goodwill of the Group amounted to RM16,771,187, which represented for approximately 11% of the Group's total assets. During the financial year, the Group has performed impairment assessment, by comparing the carrying amount with the recoverable amount and identified an impairment of RM16,959,547. We focused on this area and considered impairment on goodwill as key audit matter as the determination of recoverable amounts of cash-generating-units ("CGUs") based on value-in-use calculations by management involved a significant degree of judgements and assumptions.	Our audit procedures include: i. evaluated the appropriateness of the Group's judgements regarding identification of CGUs for impairment assessment; ii. assessed the appropriateness and reasonableness of cash flows forecast and projections by comparison to future outlook, reviewing business plans and through discussion with management; iii. assessed the management's determination of the discount rate by evaluating the appropriateness of the models used and the reasonableness of the inputs thereon; iv. performed sensitivity analysis to assess the impact on the recoverable amount of the CGUs; and v. reviewed the adequacy of disclosure in the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEXGRAM HOLDINGS BERHAD (REGISTRATION NO.: 200401021550 (660055-H)) (INCORPORATED IN MALAYSIA) (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matters	How the matter was addressed in the audit
(c) Classification and Valuation of investment properties Refer to Note 3.3, 4.7, 4.10 and 8 to the financial statements. The Group holds properties which are significant to the Group as these represent approximately 30% of the total assets. These properties are classified as investment properties as disclosed in Note 8 to the financial statements respectively and are measured at fair value. The Group is required to perform an impairment test on the investment properties where there is an indication of impairment, by comparing the carrying amount with its recoverable amount. Revaluations for each class of properties are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The Group has engaged an independent valuer in 31 July 2022 to carry out a formal valuation of these assets. When estimating the fair value of the investment properties, the objective is to estimate the price that would be received from the sale of investment properties in an orderly transaction between market participants under the current market condition. We considered this as key audit matter due to the significance of investment properties to the Group's financial statements and the determination of the fair values involves significant judgement and estimation.	Our audit procedures include: i. obtained and reviewed the approved board resolution in respect of the management's plan on properties classified as investment properties; ii. evaluated the independent external valuers' competency, capabilities and objectivity which included consideration of their qualifications and experiences; iii. reviewed the valuation reports and discussed with the independent valuers on the valuation approach and the significant judgement, including the selection of comparable properties and adjustments for differences in key attributes made to the transacted value of comparable properties; iv. obtained understanding on the scope and purpose of the valuation and assessed their independence; and v. assessed the appropriateness of the disclosures on the fair values of investment properties in the financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEXGRAM HOLDINGS BERHAD (REGISTRATION NO.: 200401021550 (660055-H)) (INCORPORATED IN MALAYSIA) (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matters	How the matter was addressed in the audit
(d) Expected credit loss on trade receivables Refer to Note 3.9, 4.4 and 14 to the financial statements. Trade receivables of the Group amounting to RM6,376,893 are significant to the Group as these represent approximately 4% of the total assets. The key associated risk is the recoverability of the invoiced trade receivables as the recoverability of these receivables required management judgement in determining the adequacy of the impairment loss associated with each individual trade receivable.	Our audit procedures include: i. circularisation of receivables for confirmation of balances; ii. reviewed ageing of trade receivables and checked for adequacy of allowance for impairment; iii. evaluated the basis and evidence used by management for the impairment test and adequacy of allowance for impairment made; iv. assessed cash receipts subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period and recoverability of outstanding receivables; v. assessed the reasonableness of the Group's expected credit loss ("ECL") model by reviewing the probability of default using historical data and forward-looking information adjustment applied by the Group; vi. identified any loss events subsequent to the end of reporting period for indications of increase in credit risk; vii. made inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses; and viii. evaluated the adequacy of the Group's disclosure for trade receivables.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEXGRAM HOLDINGS BERHAD (REGISTRATION NO.: 200401021550 (660055-H)) (INCORPORATED IN MALAYSIA) (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Information Other Than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company do not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEXGRAM HOLDINGS BERHAD (REGISTRATION NO.: 200401021550 (660055-H)) (INCORPORATED IN MALAYSIA) (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(i) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

(iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

(iv) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(v) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NEXGRAM HOLDINGS BERHAD (REGISTRATION NO.: 200401021550 (660055-H)) (INCORPORATED IN MALAYSIA) (CONTINUED)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

CAS MALAYSIA PLT
[201606003206 (LLP0009918-LCA) & (AF 1476)]
Chartered Accountants

CHEN VOON HANN
[No. 02453/07/2023(J)]
Chartered Accountant

Date: 30 November 2022

Puchong

STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2022

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
NON-CURRENT ASSETS					
Property, plant and equipment	5	32,137,779	2,537,000	-	-
Right-of-use assets	6	15,267,576	9,286,807	-	-
Intangible assets	7	78,676	52,897	-	-
Investment properties	8	46,100,000	7,500,000	-	-
Investment in subsidiary companies	9	-	-	26,428,399	71,664,001
Goodwill on consolidation	10	16,771,187	33,730,734	-	-
Investment in an associate	11	1,416,630	1,400,683	-	-
Other investments	12	7,740,049	7,349,678	750,871	-
Inventories	13	-	22,614,225	-	-
		119,511,897	84,472,024	27,179,270	71,664,001
CURRENT ASSETS					
Inventories	13	5,612,706	4,019,236	-	-
Trade receivables	14	6,376,893	10,488,353	-	-
Other receivables	15	1,027,602	39,355,581	-	4,327,818
Tax recoverable		131,169	251,013	-	-
Amount due from subsidiary companies	16	-	-	4,848,984	25,293,891
Fixed deposits placed with licensed banks	17	14,823,593	15,586,757	-	-
Cash and bank balances	18	4,058,307	8,083,742	240,088	3,069,099
		32,030,270	77,784,682	5,089,072	32,690,808
TOTAL ASSETS		151,542,167	162,256,706	32,268,342	104,354,809
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	109,408,507	90,195,510	109,408,507	90,195,510
Reserves	20	742,512	26,668,521	1,658,140	13,453,266
Accumulated losses	21	(18,260,589)	(2,879,861)	(90,582,078)	(4,666,483)
Total equity attributable to owners of the Company		91,890,430	113,984,170	20,484,569	98,982,293
Non-controlling interest	9	3,268,168	6,790,032	-	-
TOTAL EQUITY		95,158,598	120,774,202	20,484,569	98,982,293

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 JULY 2022 (CONTINUED)

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
NON-CURRENT LIABILITIES					
Lease liabilities	6	3,769,955	873,062	-	-
Loan and borrowings	22	8,973,242	10,446,047	-	-
Deferred taxation	23	2,722,569	1,095,196	-	-
		15,465,766	12,414,305	-	-
CURRENT LIABILITIES					
Trade payables	24	12,934,906	8,433,760	-	-
Other payables	25	14,613,803	8,906,350	4,155,971	4,258,556
Amount due to subsidiary companies	16	-	-	7,458,786	480,757
Amount due to directors	26	3,531,369	2,962,004	169,016	633,203
Loan and borrowings	22	6,030,680	8,138,102	-	-
Lease liabilities	6	3,525,523	362,680	-	-
Provision for taxation		281,522	265,303	-	-
		40,917,803	29,068,199	11,783,773	5,372,516
TOTAL LIABILITIES		56,383,569	41,482,504	11,783,773	5,372,516
TOTAL EQUITY AND LIABILITIES		151,542,167	162,256,706	32,268,342	104,354,809

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Revenue	27	31,020,458	73,324,157	-	600,000
Cost of sales		(23,973,780)	(72,644,090)	-	-
GROSS PROFIT		7,046,678	680,067	-	600,000
Other income		17,797,243	12,383,072	1,983,211	659,953
Administrative and other expenses		(35,444,222)	(12,604,992)	(87,898,806)	(5,856,766)
Marketing and distribution expenses		(267,095)	(2,294,891)	-	-
Other operating expenses		(5,088,413)	(2,479,624)	-	-
LOSS FROM OPERATIONS		(15,955,809)	(4,316,368)	(85,915,595)	(4,596,813)
Share of an associate results	11	15,947	265,394	-	-
Finance costs	28	(1,010,298)	(3,896,181)	-	-
LOSS BEFORE TAXATION	29	(16,950,160)	(7,947,155)	(85,915,595)	(4,596,813)
Taxation	31	(2,008,917)	(850,209)	-	-
LOSS AFTER TAXATION		(18,959,077)	(8,797,364)	(85,915,595)	(4,596,813)
Other comprehensive (expense)/ income for the financial year, net of tax:					
Item that will not be reclassified to profit or loss:					
Gain on revaluation of properties	6	41,707	677,742	-	-
(Loss)/Gain on fair value changes of equity investment	12	(453,779)	1,979,685	-	-
		(412,072)	2,657,427	-	-
Item that will not be reclassified to profit or loss					
Foreign currency translation		(544,773)	388,211	-	-
Total other comprehensive (expense)/ income		(956,845)	3,045,638	-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL YEAR		(19,915,922)	(5,751,726)	(85,915,595)	(4,596,813)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
LOSS AFTER TAXATION ATTRIBUTABLE TO:					
Owners of the company		(15,424,701)	(5,331,409)	(85,915,595)	(4,596,813)
Non-controlling interest	9	(3,534,376)	(3,465,955)	-	-
		(18,959,077)	(8,797,364)	(85,915,595)	(4,596,813)
TOTAL COMPREHENSIVE EXPENSE ATTRIBUTABLE TO:					
Owners of the company		(16,394,058)	(2,491,173)	(85,915,595)	(4,596,813)
Non-controlling interest		(3,521,864)	(3,260,553)	-	-
		(19,915,922)	(5,751,726)	(85,915,595)	(4,596,813)
Basic loss per share attributable to owners of the company (sen)	32	(0.35)	(0.19)		
Diluted loss per share attributable to owners of the company (sen)	32	(0.35)	(0.19)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED
STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

Group	Note	Share capital RM	Warrants reserve RM	Fair value reserve RM	Revaluation reserve RM	Treasury shares RM	Translation reserve RM	Irredeemable convertible preference shares RM	Redeemable convertible preference shares RM	Accumulated losses RM	Total RM	Non-controlling interest RM	Total equity RM
		Attributable to owners of the Company											
		Non-distributable								Distributable			
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 (expense)/ income for the financial year		-	-	(453,779)	29,195	-	(544,773)	-	-	-	(969,357)	12,512	(956,845)
Total comprehensive (expense)/ income		-	-	(453,779)	29,195	-	(544,773)	-	-	(15,424,701)	(16,394,058)	(3,521,864)	(19,915,222)
Transaction with owners:													
Redemption of RCPS	20	-	-	-	-	-	-	-	(13,117,553)	-	(13,117,553)	-	(13,117,553)
Conversion of ICPS	19,20	14,833,742	-	-	-	-	-	(7,416,871)	-	-	7,416,871	-	7,416,871
Conversion of warrants	19,20	1,131	(131)	-	-	-	-	-	-	-	1,000	-	1,000
Expiry of warrants		4,378,124	(4,378,124)	-	-	-	-	-	-	-	-		-
Realisation of revaluation		-	-	-	(43,973)	-	-	-	-	43,973	-	-	-
Total transactions with owners		19,212,997	(4,378,255)	-	(43,973)	-	-	(7,416,871)	(13,117,553)	43,973	(5,699,682)	-	(5,699,682)
Balance as at 31 July 2022		109,408,507	1,903,140	(1,898,179)	2,144,074	(245,000)	(4,473,820)	-	3,312,297	(18,260,589)	91,890,430	3,268,168	95,158,598

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

Group	Note	Share capital RM	Warrants reserve RM	Fair value reserve RM	Revaluation reserve RM	Treasury shares RM	Translation reserve RM	Irredeemable convertible preference shares RM	Redeemable convertible preference shares RM	Accumulated losses RM	Total RM	Non-controlling interest RM	Total equity RM
		Attributable to owners of the Company											
		Non-distributable								Distributable			
Balance as at 1 August 2020		206,519,923	6,281,395	(3,944,998)	1,750,381	(245,000)	(4,315,179)	20,554,665	2,040,000	(139,693,487)	88,947,700	6,768,058	95,715,758
Total comprehensive income/(expense) for the financial year:-													
Loss for the financial year		-	-	-	-	-	-	-	-	(5,331,409)	(5,331,409)	(3,465,955)	(8,797,364)
Other comprehensive income for the financial year		-	-	1,979,685	474,419	-	386,132	-	-	-	2,840,236	205,402	3,045,638
Total comprehensive income/ (expense)		-	-	1,979,685	474,419	-	386,132	-	-	(5,331,409)	(2,491,173)	(3,260,553)	(5,751,726)
Transaction with owners:													
Issuance of RCPS	20	-	-	-	-	-	-	-	19,500,000	-	19,500,000	-	19,500,000
Redemption of RCPS	20	-	-	-	-	-	-	-	(5,110,150)	-	(5,110,150)	-	(5,110,150)
Conversion of ICPS	19,20	26,275,587	-	-	-	-	-	(13,137,794)	-	-	13,137,793	-	13,137,793
Capital reduction	19	(142,600,000)	-	-	-	-	-	-	-	142,600,000	-	-	-
Disposal of investment in OCI	12	-	-	520,913	-	-	-	-	-	(520,913)	-	-	-
Acquisition of subsidiary	9	-	-	-	-	-	-	-	-	-	-	(2,771,565)	(2,771,565)
Disposal of subsidiary	9	-	-	-	-	-	-	-	-	-	-	6,054,092	6,054,092
Realisation of revaluation	20	-	-	-	(65,948)	-	-	-	-	65,948	-	-	-
Total transactions with owners		(116,324,413)	-	520,913	(65,948)	-	-	(13,137,794)	14,389,850	142,145,035	27,527,643	3,282,527	30,810,170
Balance as at 31 July 2021		90,195,510	6,281,395	(1,444,400)	2,158,852	(245,000)	(3,929,047)	7,416,871	16,429,850	(2,879,861)	113,984,170	6,790,032	120,774,202

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

Company	Note	Share capital RM	Warrants reserve RM	Treasury shares RM	Irredeemable convertible preference shares RM	Accumulated losses RM	Total RM
		Attributable to Owners of the Company					
		Non-distributable					
Balance as at 1 August 2021		90,195,510	6,281,395	(245,000)	7,416,871	(4,666,483)	98,982,293
Total comprehensive expenses for the financial year		-	-	-	-	(86,158,295)	(86,158,295)
Transaction with owners:							
- Conversion of ICPS	19,20	14,833,742	-	-	(7,416,871)	-	7,416,871
- Conversion of warrants	19,20	1,131	(131)	-	-	-	1,000
- Expiry of warrants	19,20	4,378,124	(4,378,124)	-	-	-	-
		19,212,997	(4,378,255)	-	(7,416,871)	-	7,417,871
Balance as at 31 July 2022		109,408,507	1,903,140	(245,000)	-	(90,582,078)	20,484,569
Balance as at 1 August 2020		206,519,923	6,281,395	(245,000)	20,554,665	(142,669,670)	90,441,313
Total comprehensive expenses for the financial year		-	-	-	-	(4,596,813)	(4,596,813)
Transaction with owners:							
- Capital reduction	19	(142,600,000)	-	-	-	142,600,000	-
- Conversion of ICPS	19,20	26,275,587	-	-	(13,137,794)	-	13,137,793
		(116,324,413)	-	-	(13,137,794)	142,600,000	13,137,793
Balance as at 31 July 2021		90,195,510	6,281,395	(245,000)	7,416,871	(4,666,483)	98,982,293

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before taxation		(16,950,160)	(7,947,155)	(86,915,595)	(4,596,813)
Adjustments for:					
Amortisation of intangible assets	7	12,621	2,603	-	-
Depreciation of property, plant and equipment	5	1,052,466	2,196,761	-	-
Depreciation of right-of-use assets	6	615,305	1,318,910	-	-
Dividend income	29	(134,094)	(151,446)	-	-
Fair value gain on investment properties	8	(15,985,775)	(1,100,000)	-	-
Fair value loss on other investments	12	276,637	-	276,637	-
Gain on disposal of property, plant and equipment	29	(999)	(96,090)	-	-
Gain on disposal of subsidiary companies	9	-	(6,138,987)	-	-
Gain on disposal of quoted shares	29	-	(294,881)	-	-
Gain on termination of lease	6	(5,939)	(10,102)	-	-
Impairment losses on:-					
- amount due from subsidiary companies	16	-	-	40,867,536	1,418,581
- goodwill on consolidation	10	16,959,547	-	-	-
- investment in subsidiaries	9	-	-	45,235,602	2,515,338
- trade receivables	14	4,521,350	71,791	-	-
- property, plant and equipment	5	-	7,735	-	-
Interest expenses	28	1,010,298	3,896,181	-	-
Interest income	29	(316,716)	(701,236)	(162)	(11,492)
Loss on disposal of property, plant and equipment	29	39,909	-	-	-
Slow moving inventories written down	13	116,695	195,880	-	-
Reversal of impairment loss on:					
- amount owing by an associate		-	(35,967)	-	-
- trade receivables	14	(198,488)	(39,403)	-	-
- other receivables	15	(436,293)	(4,332)	(436,293)	-
- amount due from subsidiary companies	16	-	-	(1,546,756)	(648,461)
Share of results of an associate	11	(15,947)	(265,394)	-	-
Unrealised (gain)/loss on foreign exchange	29	(44,712)	9,318	-	-
Written off of:-					
- Bad debt - trade receivables	29	96,408	9,705	-	-
- Deposits	15	-	47,000	-	-
- Inventories - finished goods	13	32,423	33,371	-	-
- Property, plant and equipment	5	138,006	29,017	-	-
Operating loss before working capital changes		(9,217,458)	(8,966,721)	(1,519,031)	(1,322,847)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Increase in inventories		(1,742,588)	(971,130)	-	-
Decrease/(Increase) in receivables		38,456,463	(20,843,417)	4,764,111	30,316
Increase/(Decrease) in payables		10,253,311	(3,421,659)	(102,585)	540,870
Decrease in amount due from an associate		-	395,239	-	-
Increase in amount due from subsidiaries		-	-	(11,897,844)	(12,664,103)
Cash generated from/(used in) operations		37,749,728	(33,807,688)	(8,755,349)	(13,412,764)
Interest paid		(1,010,298)	(3,896,181)	-	-
Income tax paid		(245,481)	(698,969)	-	-
Net cash generated from/(used in) operating activities		36,493,949	(38,402,838)	(8,755,349)	(13,412,764)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash acquired	9	-	(1,887,116)	-	-
Addition of intangible assets	7	(38,400)	(55,500)	-	-
Additional investment in subsidiary company	9	-	-	-	(299,998)
Additional investment in other investments	12	(1,027,508)	-	(1,027,508)	-
Net cash from disposal of subsidiary companies	9	-	13,464,963	-	-
Dividend received	29	134,094	151,446	-	-
Interest received	29	316,716	701,236	162	11,492
Withdrawal/(Placement) of fixed deposits more than 3 months and pledged to banks	17	3,046,950	(2,806,739)	-	-
Proceeds from disposal of quoted shares		-	1,164,632	-	-
Proceeds from disposal of property, plant and equipment		95,686	167,000	-	-
Purchase of property, plant and equipment	5	(30,911,936)	(595,519)	-	-
Net cash (used in)/generated investing activities		(28,384,758)	10,304,403	(1,027,346)	(288,506)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Advances from/(repayment to) directors		569,365	474,541	(464,187)	162,423
Conversion of ICPS	20	7,416,871	13,137,793	7,416,871	13,137,793
Conversion of warrants A	19	1,000	-	1,000	-
Redemption of RCPS	20	(13,117,553)	(5,110,150)	-	-
Payment of lease liabilities	6	(475,521)	(270,736)	-	-
Repayment of hire purchase payables, net		(255,957)	(579,214)	-	-
(Repayment)/drawdown of term loans, net		(433,878)	474,818	-	-
(Repayment)/drawdown of banker's acceptances		(2,853,609)	18,148,021	-	-
(Repayment)/drawdown of trust receipts		(21,787)	55,326	-	-
Net cash (used in)/generated from financing activities		(9,171,069)	26,330,399	6,953,684	13,300,216
Net decrease in cash and cash equivalents		(1,061,878)	(1,768,036)	(2,829,011)	(401,054)
Effect of foreign exchange rate changes		(665,135)	412,942	-	-
Cash and cash equivalents as at beginning of the financial year		13,834,164	15,189,258	3,069,099	3,470,153
Cash and cash equivalents as at end of the financial year		12,107,151	13,834,164	240,088	3,069,099
Cash and cash equivalents comprise of:					
Fixed deposits placed with licensed banks	17	14,823,593	15,586,757	-	-
Cash and bank balances	18	4,058,307	8,083,742	240,088	3,069,099
Bank overdrafts	22	(931,410)	(946,406)	-	-
		17,950,490	22,724,093	240,088	3,069,099
Short-term fixed deposits pledged to licensed bank	17	(936,263)	(4,068,997)	-	-
Fixed deposits with tenure of more than 3 months*	17	(4,907,076)	(4,820,932)	-	-
		12,107,151	13,834,164	240,088	3,069,099

* Included in fixed deposits with tenure of more than 3 months, there is fixed deposit pledged to bank amounted to RM2,050,808 (2021: RM2,103,818).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The Company's registered office is located at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business of the Company is located at BO2-A-16, Menara 3, KL Eco City, No. 3, Jalan Bangsar, 59200 Kuala Lumpur, Wilayah Persekutuan.

The consolidated financial statements of the Company as at and for the financial year ended 31 July 2022 comprise the Company and its subsidiaries (together referred to as the “Group”). The financial statements of the Company as at and for the financial year ended 31 July 2022 do not include other entities.

The Company is principally engaged in investment holding and provision of corporate and management services to the Group. The principal activities of its subsidiary companies are disclosed in Note 9 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 November 2022.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 ("CA 2016") in Malaysia.

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous year.

2.2 Going Concern

The Group’s and the Company’s management have made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group’s and the Company’s ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2.3 Adoption of Amendments to MFRSs and Annual Improvements

At the beginning of the financial year, the Group and the Company have adopted the following Amendments to MFRSs and Annual Improvements which are mandatory for the financial periods beginning on or after 1 August 2021:

Amendments to MFRS 4	Insurance Contracts
Amendments to MFRS 7	Financial Instruments: Disclosure
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 16	Leases
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement
Amendments to References to Conceptual Framework in MFRS Standards	

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

2.4 Standards issued but not yet effective

The Group and the Company have not adopted the following Standards, Amendments and Annual Improvements that have been issued but are not yet effective by the Malaysian Accounting Standards Board (""MASB"").

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 141	Agriculture
Amendments to Annual Improvements to MFRS Standards 2018-2020	

Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 112	Income Taxes

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Leases

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

The Group and the Company will adopt the 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.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the financial statements.

2.6 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group’s and the Company’s functional currency. All financial information are presented in RM, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 July 2022.

The financial statements of the Company's subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has power over the entity, has exposure to or rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.6 below. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases. The consideration is measured at the fair value of the assets given, equity instruments issued and liabilities incurred at the date of exchange.

All business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on the date of acquisition and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquirer's identifiable net assets at the acquisition date. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at fair value on the date of acquisition and any resulting gain or loss is recognised in profit or loss or OCI.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(a) Subsidiaries and business combination (Continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.6.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts;
- Derecognises the carrying amount of any non-controlling interest in the former subsidiary;
- Derecognises the cumulative foreign exchange translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained in the former subsidiary;
- Recognises any surplus or deficit in the profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income ("OCI") to profit or loss or retained earnings, if required in accordance with other MFRSs.

All of the above will be accounted for from the date when control is lost.

(b) Non-controlling interests

Non-controlling interests ("NCI") represent the portion of profit or loss and net assets in subsidiaries not owned, directly and indirectly by the Company. NCI are presented separately in the consolidated statements of profit or loss and OCI and within equity in the consolidated statement of financial position, but separate from parent shareholders' equity. Total comprehensive income is allocated against the interest of NCI, even if this results in a deficit balance. Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (Continued)

(c) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

(d) Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income as a revaluation surplus reserve. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus reserve of that asset.

Depreciation on the property, plant and equipment are calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

Furniture and fittings	10% - 20%
Motor vehicles	10% - 20%
Office equipment and signboard	10% - 20%
Renovation	10% - 25%
Computer and software	12% - 40%
Plant and machineries	10%

Depreciation of an asset begins when it is ready for its intended use.

Renovation work-in-progress in property, plant and equipment are not depreciated as these assets are not yet available for use.

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3.6 on impairment of non-financial assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost and subsequently at fair value, representing open market value determined annually by external valuers or assessed by the Directors. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific assets. If this information is not available, the Group will use alternative valuation method such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recognised in profit or loss for the period in which they arise.

Investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

3.4 Research and development expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that expenditure incurred on development projects relating to the design and testing of new or improved products or process are recognised as intangible assets if, and only if an entity can demonstrate all of the following:-

(i) its ability to measure reliably the expenditure attributable to the assets under development;

(ii) the product or process is technically and commercially feasible;

(iii) its future economic benefits are probable;

(iv) its ability to use or sell the developed asset; and

(v) the availability of adequate technical, financial and other resources to complete the assets under development.

Capitalised development expenditures are measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

Development expenditures are amortised on a straight-line basis over its useful life. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at the end of each reporting period. See accounting policy Note 3.6 on impairment of non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Intangible assets

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets that have been capitalised are amortised on a straight line basis over the period of their expected benefit, but not exceeding 5 years commencing from the period when the intangible assets are available for use.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangible are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

3.6 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

For goodwill, property, plant and equipment that are not yet available for use, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the assets are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Impairment of non-financial assets (Continued)

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only when there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of that asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value with original maturities of three months or less, and are used by the Group and the Company in management of their short term funding requirements. These also include bank overdrafts that form an integral part of the Group's cash management.

3.8 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

The Group’s and the Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For the purpose of subsequent measurement under MFRS 9, financial assets are classified as follows:

3.8.1 Financial assets at amortised cost

Financial assets shall be measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Financial assets (Continued)

3.8.1 Financial assets at amortised cost (Continued)

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group’s and the Company’s financial assets at amortised cost includes trade and other receivables, amount due from subsidiary companies, fixed deposits placed with licensed banks, and cash and bank balances.

3.8.2 Financial assets at FVOCI

Debt instruments

Debt instruments are measured at FVOCI if both of the following conditions are met:

(a) the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group and the Company did not hold any debt instruments at FVOCI in the current and previous financial year.

Equity instruments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocable elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

The Group’s and the Company’s financial assets at FVOCI includes other investments.

3.8.3 Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Financial assets (Continued)

3.8.3 Financial assets at FVTPL (Continued)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if:

(a) the economic characteristics and risks are not closely related to the host;

(b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

(c) hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group's and the Company's financial assets at FVTPL includes other investments.

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or the rights to receive cash flows from the asset are transferred or all the risk and rewards are transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

3.9 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income and lease receivables. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-months expected credit loss. For trade receivables and lease receivables, loss allowance are measured based on lifetime ECL at each reporting date. The Group and the Company estimate the ECL on trade receivables using a provision matrix with reference to historical credit loss experience, adjusted for forward looking factor specific to the debtors and the economic environment.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the asset, while the 12-months ECL are the portion of the ECL that result from default events that are possible within the 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment of financial assets (Continued)

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort.

An impairment loss in respect of the financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are recognised in profit or loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows of the financial asset.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities carried at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

(a) Simplified approach for trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The assessment considers available, reasonable and supportable forward-looking information such as:

- internal credit rating/assessment;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor (where available);
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

The Group considers a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off to profit or loss when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment of financial assets (Continued)

(a) Simplified approach for trade receivables (Continued)

Grouping of instruments for ECL measured on collective basis

Collective assessment

To measure ECL, trade receivables are grouped into categories. The categories are differentiated by the different business risks and are subject to different credit assessments. The Group considers the expected loss rates for trade receivables as a reasonable approximation of the loss rates for contract assets with similar risk characteristics.

Individual assessment

Trade receivables which are in default or credit-impaired are assessed individually.

Note 14 set out the measurement details of ECL.

(b) General 3-stages approach for other receivables and amount due from to subsidiaries

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12-months ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Note 15 and 16 set out the measurement details of ECL.

3.10 Inventories

Finished goods

Inventories of finished goods are stated at the lower of cost and net realisable value. The cost of inventories is measured based on first in, first out basis.

The cost of finished goods includes the original purchase price plus costs incurred to bring the inventories to their present locations and conditions.

Net realisable value is estimated based on the most reliable evidence available at the time the estimates are made as to what the inventories are expected to realise upon completion of the cycle.

Property development costs

Cost includes:-

(i) freehold rights for land;
(ii) amounts paid to contractors for construction; and
(iii) borrowing costs, planning and design costs, costs for site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Inventories (Continued)

Land held for property development

Land held for property development is included under non-current assets where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. It is stated at the lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land and incidental costs directly attributable to its acquisition.

The land held for property development is reclassified under current assets, when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

3.11 Contract cost

(i) Incremental cost of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as contract cost assets when the Group expects those costs to be recoverable.

(ii) Cost to fulfil a contract

The costs incurred in fulfilling a contract with a customer who are not within the scope of other MFRSs, such as MFRS 102: Inventories, MFRS 116: Property, Plant and Equipment and MFRS 138: Intangible Assets, are recognised as contract cost assets when all of the following criteria are met:-

(a) costs relate directly to a contract or to an anticipated contract that can be specifically identified;
(b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
(c) the costs are expected to be recovered.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108: Accounting Policies, Changes in Accounting Estimate and Errors.

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:-

- the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Contract cost (Continued)

(ii) Cost to fulfil a contract (Continued)

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with other MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs assets in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136: Impairment of Assets to that cash-generating unit with Note 3.6 to the financial statements.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

3.12 Equity and reserve

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve. This reserve is non-distributable and will be transferred to share capital upon the exercise of warrants. The warrants reserve in relation to unexercised warrants at the expiry of the warrants will depend on the initial classification of the warrant.

3.13 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

3.14 Preference shares

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity.

Redeemable convertible preference shares ("RCPS") are regarded as compound instruments, consisting of a liability component and an equity component. The component of RCPS that exhibits characteristics of a liability is recognised as a financial liability in the statement of financial position.

On issuance of the RCPS, the fair value of the liability component is determined using a market rate for an equivalent non-convertible debt and this amount is carried as a financial liability. The residual amount, after deducting the fair value of the liability component, is recognised and included in shareholder's equity, net of transaction costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Provision of liabilities

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each financial year end adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.16 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

The categories of financial liabilities at an initial recognition are as follows:

3.16.1 Financial liabilities at FVTPL

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's and the Company's key management personnel; or

(c) if a contract contains one or more embedded derivative and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as FVTPL are subsequently measured at fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as FVTPL upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

The Group and the Company did not have financial liabilities at FVTPL in the current and previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Financial liabilities (Continued)

3.16.2 Amortised cost

Other financial liabilities not categorised as FVTPL are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

Derecognition

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.17 Leases

3.17.1 Leases in which the Group is a lessee

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease based on whether the contract conveys to the user the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and servicing elements, the consideration is allocated to each of the lease and non-lease components and on each subsequent re-measurement of the contract on the basis of their relative stand-alone selling prices. For a contract that is, or contains, a lease, an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract.

(a) Right-Of-Use Assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset comprises of the amount of lease liabilities adjusted for the lease payments that are paid at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred for dismantling and removing the underlying asset or restoring the underlying asset or the site on which it is located, less any lease incentives received. If the Group and the Company are reasonably certain that the ownership of the underlying asset will be transferred to them by the end of the lease term, the right-of-use asset are depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset are depreciated on a straight-line basis from the commencement date to the earlier of the end of its useful life or the end of the lease term.

Depreciation on the right-of-use assets are calculated using straight-line basis over the earlier of the estimated useful lives of the right-of-use assets of the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold Land	99 years
Building	2 - 5 years

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Leases (Continued)

3.17.1 Leases in which the Group is a lessee (Continued)

(b) Lease Liabilities

The Group and the Company recognise lease liability, which is measured at the present value of the lease payments to be made over the lease term, at the commencement date. The lease payments include fixed payments including in-substance fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, less lease incentives receivable. The lease payments also include the exercise price of purchase option if the Group and the Company are reasonably certain to exercise, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

The lease payments are discounted using incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the Group and the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. The carrying amount of lease liabilities is remeasured in order to reflect any reassessment or lease modifications.

(c) Short-term leases and leases of low-value assets

The Group and the Company elected to apply exemption to those short term leases in which the lease term is 12 months or less from the commencement date and without purchase option. Besides, exemption is also applied for the lease of low value assets. The lease payments incurred on the exempted leases are recognised as expenses on a straight-line basis over the lease term.

(d) Lease term

The lease term includes non-cancellable period of a lease together with periods covered by an option to extend or terminate the lease if the Group and the Company are reasonably certain to exercise that option.

Under some of the leases, the Group and the Company are offered with the option to extend the lease term for additional two to five years. The Group and the Company apply judgement in considering all relevant facts and circumstances that create an economic incentive to exercise the extension option or not to exercise the termination option, to evaluate whether it is reasonably certain that the option will be exercised. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or not to terminate.

3.17.2 Leases in which the Group is a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on straight-line basis over the leases terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, borrowings are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the borrowings.

Profit, interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

3.19 Income tax

3.19.1 Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

3.19.2 Deferred tax

Deferred tax is provided using the liability method on temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except for the deferred tax liability that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised except where the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.19 Income tax (Continued)

3.19.2 Deferred tax (continued)

Unrecognised deferred tax assets are reassessed at each financial year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the financial year end.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.20 Revenue recognition and other income

The Group recognises revenue from contracts with customers for goods or services based on the five step model as set out in this standard:-

(i) Identify contracts with a customer;
(ii) Identify performance obligations in the contract;
(iii) Determine the transaction price;
(iv) Allocate the transaction price to the performance obligation in the contract; and
(v) Recognise revenue when the Company satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time if the Group's performance:-

(i) Do not create an asset with an alternative use to the Group and have an enforceable right to payment for performance completed to-date; or
(ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
(iii) Provide benefits that the customer simultaneously receives and consumes as the Group perform.

For performance obligations where any one of the above conditions not met, revenue is recognised at a point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract based on asset for the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at fair value of consideration received or receivable. The following describe the performance obligation in contracts with customers:-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.20 Revenue recognition and other income (Continued)

3.20.1 Sale of goods

Revenue from sales of goods is recognised at the point in time when the customer obtains control of goods, which is generally at the time of delivery. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and taxes applicable to the revenue.

3.20.2 Rendering of services

The Group determines that the transfer of control of promised services generally coincides with the Group's performance as the customer simultaneously receives and consumes the benefits of the performance as the Group performs. Accordingly, revenue from the rendering of services is recognised over time when the services are performed. The Group measures the progress towards complete satisfaction of the performance obligation using an output method, i.e. time elapsed or milestones reached.

Revenue from services is recognised at the point in time when the customer acceptance of the services or period of time as per stated in contract with customer which is generally at the time of delivery.

3.20.3 Rental Income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Rental income from sub-leased property is recognised as other income.

3.20.4 Management fees

Management fee is recognised on an accrual basis.

3.20.5 Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

3.21 Employee benefits

3.21.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

3.21.2 Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The contributions are charged as an expense in the financial year in which the employees render their services. As required by law, the Group and the Company make such contributions to the Employees Provident Fund ("EPF").

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.22 Foreign currency

3.22.1 Functional and presentation currency

The financial statements of the Group and of the Company are measured using the currency of the primary economic environment in which the Group and the Company operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

3.22.2 Foreign currency transactions

Transactions in currencies other than the Group's and the Company's functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity.

3.23 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are disclosed in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

3.24 Contingencies

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company in the current and previous financial year end.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.25 Related parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associate of the entity;
(iii) the party is a joint venture in which the entity is a venturer;
(iv) the party is a member of the key management personnel of the entity or its parent;
(v) the party is a close member of the family of any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, joint controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with entity.

3.26 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

3.27 Earnings per ordinary share (“EPS”)

The Group presents basic and diluted earnings per share data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from exercise of Warrants and Irredeemable and Convertible Preference Shares into ordinary shares.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

4.1 Depreciation of property, plant and equipment and right-of-use assets ("ROUA")

The cost of property, plant and equipment and ROUA are depreciated on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment and ROUA to be within a range of 2.5 to 99 years. These are common life expectancies applied in this industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised. The carrying amount of the Group's and the Company's property, plant and equipment and ROUA at the reporting date is disclosed in Note 5 and Note 6 respectively.

4.2 Impairment of non-financial assets

When recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

4.3 Renovation work-in-progress

The Group recognised the renovation work-in-progress by using the progress towards complete satisfaction of the renovation work. The progress towards complete satisfaction of the renovation work is determined by the proportion that renovation costs incurred for work performed to date bear to the estimated total renovation costs.

Significant judgement is required in determining the progress towards complete satisfaction of the renovation work, the extent of the renovation cost incurred and the estimated total renovation costs. In making the judgement, the Group evaluate by relying on the work of specialist.

The carrying amounts of the renovation work-in-progress are disclosed in Note 5 to the financial statements.

4.4 Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognised tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.5 Provision for expected credit losses of trade receivables, other receivables and amount due from subsidiary companies

The Group uses a provision matrix to calculate ECLs for trade receivables, other receivables and amount due from subsidiary companies. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geographical region, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables, other receivables and amount due from subsidiary companies is disclosed in Note 14, 15 and 16 respectively.

4.6 Impairment of goodwill

The Group performs an annual assessment of the carrying value of its goodwill against the recoverable amount of the cash-generating units ("CGUs") to which the goodwill have been allocated. The measurement of the recoverable amount of CGUs are determined based on the value-in-use method, incorporating the present value of estimated future cash flows expected to arise from the respective CGU's ongoing operations. Management judgement is used in the determination of the assumptions made, particularly the cash flow projections, discount rates and the growth rates used. The estimation of pre-tax cash flows is sensitive to the periods for which the forecasts are available and to assumptions regarding the long-term sustainable cash flows, and reflect management's view of future performance.

4.7 Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialist to access fair value for investment properties. Fair value is arrived at using comparison method, cost method or investment method and the key assumptions used to determine the fair value of the properties and sensitivity analysis are disclosed in Note 8 to the financial statements.

4.8 Property under revaluation

Certain properties of the Group are reported at revalued amounts which are based on valuation performed by independent professional valuers by reference to the selling prices of recent transactions and asking prices of similar properties of nearby location and where necessary, adjusting for tenure, location, size, market trends and others. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuations. The carrying amount of property measured at revaluation as at reporting date is disclosed in Note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.9 Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the tax losses, capital allowances and other deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies. Total carrying value of unrecognised tax losses, unabsorbed capital allowances and other taxable temporary differences of the Group and of the Company are disclosed in Note 23.

4.10 Classification between investment properties and owner-occupied properties

The Group determines whether a property qualified as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portion could can be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portion could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

4.11 Contingent liabilities

The Group exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, arbitration or government regulation. Judgement is required to assess the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of any financial settlement. The inherent uncertainty of such matters means that actual losses may materially differ from estimates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

Group

2022	Furniture and fittings RM	Motor vehicles RM	Office equipment and signboard RM	Renovation RM	Renovation Work-in progress RM	Computer and software RM	Plant and machineries RM	Total RM
At cost								
Balance as at 1 August 2021	270,190	3,721,515	978,809	117,775	-	573,205	650,058	6,311,552
Additions	-	479,000	106,323	8,180,078	21,949,084	76,253	121,197	30,911,935
Disposal	-	(358,050)	-	-	-	-	(15,400)	(373,450)
Written off	-	-	(112,820)	-	-	(8,782)	(202,272)	(323,874)
Exchange differences	-	-	-	-	-	-	16,702	16,702
Transfer	-	-	-	-	-	-	(40,055)	(40,055)
Balance as at 31 July 2022	270,190	3,842,465	972,312	8,297,853	21,949,084	640,676	530,230	36,502,810
Less: Accumulated depreciation								
Balance as at 1 August 2021	247,862	2,246,341	621,957	105,176	-	438,583	106,898	3,766,817
Charge for the financial year	7,758	425,031	132,105	289,061	-	63,142	135,369	1,052,466
Disposal	-	(234,106)	-	-	-	-	(4,748)	(238,854)
Written off	-	-	(94,738)	-	-	(8,781)	(82,349)	(185,868)
Exchange differences	-	-	-	-	-	-	2,790	2,790
Transfer	-	-	-	-	-	-	(40,055)	(40,055)
Balance as at 31 July 2022	255,620	2,437,266	659,324	394,237	-	492,944	117,905	4,357,296

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group

2022	Furniture and fittings RM	Motor vehicles RM	Office equipment and signboard RM	Renovation RM	Renovation Work in progress RM	Computer and software RM	Plant and machineries RM	Total RM
Less: Accmuluated impairment losses								
Balance as at 1 August 2021	-	-	7,735	-	-	-	-	7,735
Additions	-	-	-	-	-	-	-	-
Balance as at 31 July 2022	-	-	7,735	-	-	-	-	7,735
Net carrying amounts								
Balance as at 31 July 2022	14,570	1,405,199	305,253	7,903,616	21,949,084	147,732	412,325	32,137,779

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group

2021	Furniture and fittings RM	Motor vehicles RM	Office equipment and signboard RM	Renovation RM	Computer and software RM	Plant and machineries RM	Total RM
At Cost							
Balance as at 1 August 2020	267,290	3,682,844	955,018	147,775	492,207	359,787	5,904,921
Acquisition of subsidiary companies	1,068,470	391,260	-	-	-	26,709,229	28,168,959
Additions	2,900	574,713	27,771	4,050	86,646	374,152	1,070,232
Disposal of subsidiary companies	(1,068,470)	(391,260)	-	-	-	(26,709,805)	(28,169,535)
Disposal	-	(536,042)	-	-	(5,648)	(45,000)	(586,690)
Written off	-	-	(3,980)	(34,050)	-	(3,970)	(42,000)
Exchange differences	-	-	-	-	-	(34,335)	(34,335)
Balance as at 31 July 2021	270,190	3,721,515	978,809	117,775	573,205	650,058	6,311,552
Less: Accumulated depreciation							
Balance as at 1 August 2020	239,702	2,354,050	503,280	97,894	381,024	37,675	3,613,625
Acquisition of subsidiary companies	997,009	132,036	-	-	-	17,369,624	18,498,669
Charge for the financial year	20,336	417,055	122,656	13,282	63,205	1,560,227	2,196,761
Disposal of subsidiary companies	(1,009,185)	(158,666)	-	-	-	(18,840,961)	(20,008,812)
Disposal	-	(498,134)	-	-	(5,646)	(12,000)	(515,780)
Written off	-		(3,979)	(6,000)	-	(3,004)	(12,983)
Exchange differences	-	-	-	-	-	(4,663)	(4,663)
Balance as at 31 July 2021	247,862	2,246,341	621,957	105,176	438,583	106,898	3,766,817

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group

2021	Furniture and fittings RM	Motor vehicles RM	Office equipment and signboard RM	Renovation RM	Computer and software RM	Plant and machineries RM	Total RM
Less: Accmuluated impairment losses							
Balance as at 1 August 2020	-	-	-	-	-	-	-
Additions	-	-	7,735	-	-	-	7,735
Balance as at 31 July 2021	-	-	7,735	-	-	-	7,735
Net carrying amounts							
Balance as at 31 July 2021	22,328	1,475,174	349,117	12,599	134,622	543,160	2,537,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) The property, plant and equipment of the Group acquired under hire purchase terms are as follows:-

	Group	
	2022 RM	2021 RM
Motor vehicles	926,647	1,346,089

The carrying amounts of motor vehicles are pledged to licensed bank to secure the loans and borrowings granted to the Group as disclosed in Note 22 to the financial statements.

(b) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	Group	
	2022 RM	2021 RM
Cost of property, plant and equipment purchased	30,911,936	1,070,232
Amount financed through hire purchase	-	(474,713)
Cash disbursed for purchase of property, plant and equipment	30,911,936	595,519

(c) Renovation work-in-progress

On 5 May 2022, Medic Asset Group Sdn. Bhd. ("MAG"), a wholly owned subsidiary, has entered into an agreement with a contractor to carry out the design and build construction of the refurbishment works construction at Century One Helang Hotel Langkawi ("the Project"). As at 31 July 2022, the Project still work-in-progress, therefore no depreciation is charged.

6. LEASES

(i) Right-of-use assets

The Group as lessee

2022	Leasehold land and building RM (At revaluation)	Office RM	Total RM
At cost, unless otherwise stated			
Balance as at 1 August 2021	8,150,000	1,525,113	9,675,113
Addition	-	6,672,977	6,672,977
Derecognition of lease	-	(186,025)	(186,025)
Balance as at 31 July 2022	8,150,000	8,012,065	16,162,065

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

6. LEASES (CONTINUED)

(i) Right-of-use assets (Continued)

The Group as lessee (Continued)

	Leasehold land and building RM	Office RM	Total RM
Less: Accumulated depreciation			
Balance as at 1 August 2021	81,112	307,194	388,306
Charge for the financial year	95,434	519,871	615,305
Derecognition of lease	-	(54,244)	(54,244)
Elimination on accumulated depreciation on revaluation	(54,878)	-	(54,878)
Balance as at 31 July 2022	121,668	772,821	894,489
Net carrying amount			
Balance as at 31 July 2022	8,028,332	7,239,244	15,267,576

2021

	Leasehold land and building RM	Office RM	Total RM
At cost, unless otherwise stated			
Balance as at 1 August 2020	7,350,000	547,892	7,897,892
Acquisition of a subsidiary company (Note 9)	34,197,976	-	34,197,976
Disposal of a subsidiary company (Note 9)	(34,197,976)	-	(34,197,976)
Addition	-	1,247,248	1,247,248
Derecognition of lease	-	(270,027)	(270,027)
Fair value adjustment	800,000	-	800,000
Balance as at 31 July 2021	8,150,000	1,525,113	9,675,113
Less: Accumulated depreciation			
Balance as at 1 August 2020	40,556	82,107	122,663
Charge for the financial year	1,028,846	290,064	1,318,910
Disposal of subsidiary company	(896,524)	-	(896,524)
Derecognition of lease	-	(64,977)	(64,977)
Elimination on accumulated depreciation on revaluation	(91,766)	-	(91,766)
Balance as at 31 July 2021	81,112	307,194	388,306

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

6. LEASES (CONTINUED)

(i) Right-of-use assets (Continued)

The Group as lessee (Continued)

	Leasehold land and building RM	Office RM	Total RM
Net carrying amount			
Balance as at 31 July 2021	8,068,888	1,217,919	9,286,807

The Group has entered into non-cancellable operating lease agreement for the use of land and buildings for a period of 90 years with no renewal or purchase option included in the agreement. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.

The leasehold land and buildings have been pledged to licensed banks as security for the bank and credit facilities granted to the Group as disclosed in Note 22 to the financial statements.

The leasehold land and buildings have lease terms of 82 years which expiring on 07 July 2103.

The Group leases office that run between one (1) year to four (4) years, with an option to renew the lease after that date.

The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term.

<u>Extension options</u>

Some leases of office contain extension options exercisable by the Group up to two (2) years before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

<u>Revaluation of land and buildings</u>

On 31 July 2022, the entire the leasehold land and building of the Group were revalued by an independent qualified valuer, registered with Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. The valuation was arrived at based on the Contractor Method of Valuation. A revaluation surplus of RM41,704 (2021:RM677,742) (net of deferred taxation) had been recognised as other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

6. LEASES (CONTINUED)

(ii) Lease liabilities

The Group as lessee

2022	**Office RM**	**Total RM**
Carrying amount		
Balance as at 1 August 2021	1,235,742	1,235,742
New lease entered into during the financial year	6,672,977	6,672,977
Termination of lease during the financial year	(137,720)	(137,720)
Lease payment	(566,182)	(566,182)
Interest expense	90,661	90,661
Balance as at 31 July 2022	7,295,478	7,295,478
2021		
Carrying amount		
Balance as at 1 August 2020	474,382	474,382
New lease entered into during the financial year	1,247,248	1,247,248
Termination of lease during the financial year	(215,152)	(215,152)
Lease payment	(309,160)	(309,160)
Interest expense	38,424	38,424
Balance as at 31 July 2021	1,235,742	1,235,742

	Group	
	2022 RM	**2021 RM**
Represented by:		
Current liability		
Unsecured		
- Lease liabilities	3,525,523	362,680
	3,525,523	362,680
Non-current liability		
Unsecured		
- Lease liabilities	3,769,955	873,062
	3,769,955	873,062
Total lease liability		
Unsecured		
- Lease liabilities	7,295,478	1,235,742
	7,295,478	1,235,742

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

6. LEASES (CONTINUED)

(ii) Lease liabilities (Continued)

Rates of interest charged per annum:

	Group	
	2022	**2021**
	%	**%**
Lease liabilities owing to non-financial institutions	3.71 - 7.67	3.71 - 4.07

	Group	
	2022	**2021**
	RM	**RM**
Minimum lease payment		
- Not later than one (1) year	3,898,300	402,460
- Later than one (1) year and not later than five (5) years	3,960,120	913,200
	7,858,420	1,315,660
Future finance charges on lease liabilities	(562,942)	(79,918)
Present value of lease liabilities	7,295,478	1,235,742

Present value of lease is analysed as follows:

	Group	
	2022	**2021**
	RM	**RM**
Current liability		
- Not later than one (1) year	3,525,523	362,680
Non-current liability		
- Later than one (1) year and not later than five (5) years	3,769,955	873,062
	7,295,478	1,235,742

(a) The Group has recognised the lease payments associated with short term leases and low value assets on a straight-line basis over the lease terms and recognised as rental expenses as disclosed in Note 29 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

6. LEASES (CONTINUED)

(ii) Lease liabilities (Continued)

(b) The following are the amounts recognised in profit or loss:

	Group 2022 RM	2021 RM
Depreciation on right-of use assets (included in administrative expenses)	615,305	1,318,910
Interest on lease liabilities (included in finance cost)	90,661	38,424
Expenses relating to lease of low-value assets and short term leases (included in administrative expenses)	9,931	64,745
Gain on termination of lease	(5,939)	(10,102)
	709,958	1,411,977

(c) At the end of the financial year, the Group had total cash outflow for lease of RM566,182 (2021: RM309,160).

(d) At the end of the financial year, the Group had total cash outflow for lease of low-value assets and short term leases of RM9,931 (2021: RM64,745).

(iii) The Group as lessor

The Group has entered into operating leases on its investment properties portfolio consisting freehold land and buildings. These leases have terms of between one (1) and three (3) years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lessees are not required to provide any residual value guarantee on the properties. Lease income recognised by the Group during the year are disclosed in Note 8 of the financial statements.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	Group 2022 RM	2021 RM
Not later than one (1) year	220,000	264,000
Later than one (1) year and not later than five (5) years	-	220,000
	220,000	484,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

7. INTANGIBLE ASSETS

	Group 2022 RM	Group 2021 RM
Development cost		
At cost		
Balance as at beginning of the financial year	55,500	-
Addition	38,400	55,500
Balance as at end of the financial year	93,900	55,500
Less: Accumulated amortisation		
Balance as at beginning of the financial year	2,603	-
Charge during the financial year	12,621	2,603
Balance as at end of the financial year	15,224	2,603
Carrying amount		
Balance as at end of the financial year	78,676	52,897

8. INVESTMENT PROPERTIES

	Group 2022 RM	Group 2021 RM
At fair value:-		
Balance as at beginning of the financial year	7,500,000	6,400,000
Reclassified from inventories (Note 13)	22,614,225	-
Changes in fair value	15,985,775	1,100,000
	46,100,000	7,500,000

Investment properties of the Group with carrying amount of RM46,100,000 (2021: RM7,500,000) are pledged to financial institution for borrowings granted to the Group as disclosed in Note 22 to the financial statements.

The investment properties consist of the following:-

	Group 2022 RM	Group 2021 RM
At fair value:-		
Freehold land	38,600,000	-
Freehold building	7,500,000	7,500,000
	46,100,000	7,500,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

8. INVESTMENT PROPERTIES (CONTINUED)

The following amounts are recognised in statements of profit or loss in respect of investment properties:-

	Group	
	2022 RM	2021 RM
Income and expenses recognised in profit or loss:-		
Revenue	264,000	264,000
Direct operating expenses	(26,485)	(75,401)
	237,515	188,599

(a) Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value, which reflects market conditions at the end of the reporting period and changes in fair value are recognised in profit or loss.

(b) External valuers are involved for valuation of significant assets. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the external valuers of the Group, which valuation techniques and inputs to use for each case and compares changes in fair value with relevant external sources to determine whether the change is reasonable. Management also verifies major inputs by agreeing information in the valuation to contracts and other relevant documents.

The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period. Fair value is determined using Level 2 inputs (defined as inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.) in the fair value hierarchy of MFRS 13 Fair Value Measurement. Changes in fair value are recognised in profit or loss during the reporting period in which they are reviewed.

On 31 July 2022, the entire the freehold land and building of the Group were revalued by an independent qualified valuer, registered with Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. The valuation was arrived at based on the Contractor Method of Valuation. A revaluation surplus of RM14,387,195 (2021:RM990,000) (net of deferred taxation) had been recognised as profit or loss.

(c) Method of valuation

<u>Comparison/cost method</u>

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property.

Under the comparison method, a property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer would not pay more for the property than it would cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold.

Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

All investment properties valued using the comparison method are categorised as Level 2 in the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

8. INVESTMENT PROPERTIES (CONTINUED)

(c) Method of valuation (Continued)

Comparison/cost method (Continued)

Description of valuation techniques and inputs used	Significant observable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales price of comparable buildings in close proximately are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Price per square foot	The estimated fair value would increase/(decrease) if the price per square foot is higher/(lower).

9. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2022 RM	Company 2021 RM
Unquoted shares, at cost		
Balance as at beginning of the financial year	113,112,769	112,812,771
Additions	-	299,998
Balance as at end of the financial year	113,112,769	113,112,769
Less: Accumulated impairment losses		
Balance as at beginning of the financial year	41,448,768	38,933,430
Impairment losses recognised during the financial year	45,235,602	2,515,338
Balance as at end of the financial year	86,684,370	41,448,768
Carrying amount		
Balance as at end of the financial year	26,428,399	71,664,001

The details of subsidiary companies, all of which were incorporated in Malaysia, are as follows:-

Name of subsidiaries	Effective equity interest 2022	Effective equity interest 2021	Country of incorporation and principal place of business	Principal activities
Direct subsidiaries				
Coconut Three Sdn Bhd #	100%	100%	Malaysia	Property development and property investment
Intra Binaraya Sdn Bhd#	100%	100%	Malaysia	Construction and wholesales of variety of goods without any particular specialisation

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

Name of subsidiaries	Effective equity interest 2022	2021	Country of incorporation and principal place of business	Principal activities
Direct subsidiaries (Continued)				
Nexgram Development Sdn Bhd#	100%	100%	Malaysia	Activities of holding companies; buying, selling, renting and operating of self-owned or leased real estate - residential buildings; and renting and operational leasing construction and civil-engineering machiney and equipment without operator
Nexgram Minerals Sdn Bhd #	100%	100%	Malaysia	Dormant
Nexgram Industries Sdn Bhd #	100%	100%	Malaysia	Investment holding
Nexgram Plantation Sdn Bhd #	100%	100%	Malaysia	Dormant
Nextnation Datacity Sdn Bhd #	100%	100%	Malaysia	Property development and property investment
Netnovation Sdn Bhd #	100%	100%	Malaysia	Providing computer consultancy R&D and auxiliary to finance
Nexgram Emerging Capital Limited @*	100%	100%	British Virgin Island	Investment holding
Sensorlink Holdings Sdn Bhd	70%	70%	Malaysia	Investment holding and import and distribution of security and video surveillance equipment
Transeaways Shipping Sdn Bhd #	51%	51%	Malaysia	Shipping and logistics services
Indirect subsidiaries				
Held through Sensorlink Holdings Sdn Bhd				
Sensorlink Sdn Bhd	70%	70%	Malaysia	Dealer in all kind of security system and protection equipment
Centrix Security Sdn Bhd^	35.70%	35.70%	Malaysia	Dealer in all kind of security system and protection equipment
Held through Nexgram Industries Sdn Bhd				
NEG Auto Group Sdn Bhd #	100%	100%	Malaysia	Automobile consultation, trading, assembly, manufacturing, services, distributing

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

Name of subsidiaries	Effective equity interest 2022	2021	Country of incorporation and principal place of business	Principal activities
Indirect subsidiaries (Continued)				
Tri-G Technologies Sdn Bhd #	51%	51%	Malaysia	Dealer in medical equipment an related products or services
Nexgram Biomedic Sdn Bhd	100%	100%	Malaysia	General, drug and vaccine research and development manufacturing, sales and distribution of pharmaceutical products and medical instruments
Held through NEG Auto Group Sdn Bhd				
Nexgram Zhida New Energy Development Sdn Bhd #	100%	100%	Malaysia	Advertising, manufacture of electric motors, generators and transformers
Held through Nexgram Biomedic Sdn Bhd				
Medical Brand Inc*@	100%	100%	British Virgin Island	Investment holding
NMED Bioscience Sdn Bhd #	100%	100%	Malaysia	Investment trading, contract production, distribute medic devices, drug, vaccination distribute medic devices, drug, vaccination
NMED Industries Sdn Bhd	100%	100%	Malaysia	Investment holding
NMED Life Science Sdn Bhd #	100%	100%	Malaysia	Investment trading, marketing of medic solution and services
Medic Data Science Pte Ltd*@	100%	100%	Singapore	Retail sales of pharmaceutical and medical goods NEC, research and development on biotechnology, life and medical science
Medic Asset Group Sdn Bhd #	100%	100%	Malaysia	Property investment, development trading and medic asset
Held through NMED Bioscience Sdn Bhd				
Vaccines Lab Sdn Bhd #	100%	100%	Malaysia	Investment trading, marketing of medic device, drug, vaccination solution

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

Name of subsidiaries	Effective equity interest 2022	2021	Country of incorporation and principal place of business	Principal activities
<u>Indirect subsidiaries (Continued)</u>				
<u>Held through NMED Bioscience Sdn Bhd (Continued)</u>				
Associate Partners Laboratories Sdn Bhd	100%	100%	Malaysia	Provide medical laboratory testing and analysis services, research and development on biotechnology life and medical science, investment holding company
<u>Held through NMED Industries Sdn Bhd</u>				
Glove Alliances Sdn Bhd #	100%	100%	Malaysia	Manufacturer, trading and distribution of glove
<u>Held through Medic Data Science Pte Ltd</u>				
MDS Data Science (M) Sdn Bhd #	100%	100%	Malaysia	Investment holding company, research and development on biotechnology life and medical science, manage, monitor and supervise mandatory comprehensive health and medical programme for foreign workers employed

* Not audited by CAS Malaysia PLT

@ This subsidiary was consolidated based on its unaudited management accounts as at 31 July 2022. The audited financial statements and auditor's report for the financial year was not available as it is not mandatory for British Virgin Islands and Singapore incorporated companies to be audited. However, the financial statements of this subsidiary used for consolidation purposes were reviewed by CAS Malaysia PLT.

The audited financial statements and auditors' report for the financial year ended 31 July 2022 consists of material uncertainty of going concern.

^ In accordance with MFRS 10 "Consolidated Financial Statements", the Company was deemed to have a de-facto control on Centrix Security Sdn. Bhd. ("Centrix") even though it has less than 50% of effective equity interest in Centrix.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(a) Impairment of investment in subsidiaries

During the financial year, the Company recognised a total impairment loss of RM45,235,602 (2021: RM2,515,338) on its investment in wholly-owned subsidiaries, Coconut Three Sdn Bhd, Nexgram Industries Sdn Bhd, Transeaways Shipping Sdn Bhd, and Nexgram Minerals Sdn Bhd as these subsidiary companies reported continued losses.

The recoverable amounts are determined based on the net assets of the respective subsidiary companies.

(b) Non-controlling interest in subsidiaries

The material non-controlling interests of the Group are arising from:-

(i) Sensorlink Holdings Sdn Bhd and its subsidiaries ("SHSB Group")
(ii) Transeaways Shipping Sdn Bhd ("TSSB")
(iii) Tri-G Technologies Sdn Bhd ("TRI-G")

The amount of NCI consolidated statement of financial position, loss allocated to NCI and other comprehensive income allocated to NCI during the financial year are from SHSB Group, TSSB and TRI-G.

The Group's subsidiary that has material non-controlling interest ("NCI") are as follows:-

	Ownership interest	
	2022	2021
Name of company	%	%
SHSB Group	30	30
TSSB	49	49
TRI-G	49	49

	2022	2021
Carrying amount of NCI	3,268,168	6,790,032
Total comprehensive expense allocated to NCI:		
Loss allocation to NCI	(3,534,376)	(3,465,955)
Other comprehensive income allocation to NCI	12,512	205,402
	(3,521,864)	(3,260,553)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(b) Non-controlling interest in subsidiaries (Continued)

The summary of financial information before intra-group elimination for the SHSB Group, TSSB and TRI-G which have material NCI is as below:-

	2022 RM	2021 RM
<u>SHSB Group</u>		
Summary of financial position		
Non-current assets	17,819,787	18,069,774
Current assets	26,117,869	23,575,864
Non-current liabilities	(4,043,141)	(4,345,514)
Current liabilities	(4,464,473)	(2,921,866)
Net assets	35,430,042	34,378,258
Summary of financial performance		
Net profit for the financial year	1,010,077	2,392,295
Other comprehensive income for the financial year	41,707	677,742
Total comprehensive income for the financial year	1,051,784	3,070,037
Include in the total comprehensive income is:-		
Revenue	23,000,174	19,884,574
Summary of cash flows		
Cash flows operating activities	(539,095)	1,985,071
Cash flows investing activities	77,409	1,742,182
Cash flows financing activities	(342,527)	(195,344)
Net changes in cash and cash equivalent	(804,213)	3,531,909
<u>TSSB</u>		
Summary of financial position		
Non-current assets	844,588	835,791
Current assets	420,497	639,763
Non-current liabilities	(474,527)	(439,147)
Current liabilities	(9,190,592)	(8,002,063)
Net liabilities	(8,400,034)	(6,965,656)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(b) Non-controlling interest in subsidiaries (Continued)

The summary of financial information before intra-group elimination for the SHSB Group, TSSB and TRI-G which have material NCI is as below:- (Continued)

	2022 RM	2021 RM
TSSB		
Summary of financial performance		
Net loss for the financial year, (representing total comprehensive income for the financial year)	(1,434,378)	(643,363)
Include in the total comprehensive income is:-		
Revenue	771,657	12,250,862
Summary of cash flows		
Cash flows operating activities	(363,297)	(1,623,466)
Cash flows investing activities	(298,513)	738,253
Cash flows financing activities	507,508	77,443
Net changes in cash and cash equivalent	(154,302)	(807,770)
TRI-G		
Summary of financial position		
Non-current assets	211,564	393,546
Current assets	2,825,919	10,018,079
Non-current liabilities	(993,996)	(1,103,012)
Current liabilities	(9,886,322)	(10,449,019)
Net liabilities	(7,842,835)	(1,140,406)
Summary of financial performance		
Net loss for the financial year, (representing total comprehensive income for the financial year)	(6,702,429)	(1,295,898)
Include in the total comprehensive income is:-		
Revenue	3,220,183	14,913,781
Summary of cash flows		
Cash flows operating activities	(955,928)	(5,381,122)
Cash flows investing activities	46,861	(422,938)
Cash flows financing activities	(449,667)	5,717,799
Net changes in cash and cash equivalent	(1,358,734)	(86,261)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(c) Acquisition of subsidiaries

2021

(A) Acquisition of 70% of interest in PT NDS Glokal Utama and its subsidiary company ("PTNDS")

On 1 October 2020, MBI has acquired 70% equity interest of PTNDS for a total consideration of RM500,000.

PTNDS engaged in the important and export of Antazep, Punchiban, Oil, medical devices, basic food, vermint and etc. as it business core.

(i) Fair value of the identifiable assets acquired and liabilities recognised:-

	Note	RM
Assets		
Property, plant and equipment	5	30,949
Other receivables		743,360
Total assets		774,309
Liability		
Others payables		(138,340)
Total liabilities		(138,340)
Total identifiable net assets acquired		635,969
Non-controlling interest at fair value		(190,793)
Goodwill arising on acquisition	10	54,824
Share capital and pre-acquisition retained earnings		635,969
Fair value of consideration transferred		500,000

(ii) Effect of acquisition on cash flow:-

	RM
Fair value of consideration transferred	500,000
Less: Non-cash consideration	-
Consideration paid in cash	500,000
Less: Cash and cash equivalents of a subsidiary acquired	-
Net cash outflows on acquisition	500,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(c) Acquisition of subsidiaries (Continued)

2021 (Continued)

(A) Acquisition of 70% of interest in PT NDS Glokal Utama and its subsidiary company ("PTNDS") (Continued)

(iii) Effect of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and loss net of tax are as follows:-

	RM
Revenue	14,896
Loss for the financial year	(317,244)

If the acquisition had occurred on 1 August 2020, the consolidated results for the financial year ended 31 July 2021 would have been as follows:-

	RM
Revenue	14,896
Loss for the financial year	(353,818)

(B) Acquisition of 65% equity interest in Arita Holding Sdn Bhd and it's subsidiaries ("AHSB")

On 13 October 2020, NMED Industries Sdn Bhd ("NMEDI") has entered into a Share Sales Agreement ("SSA") with AHSB to acquire 65% equity interest in AHSB for a total consideration of RM19,500,000 via issuance of Redeemable Convertible Preference Shares ("RCPS") in NMEDI in the following manner:-

(i) to acquire 55% of AHSB from Elite Plastic Ventures Sdn Bhd ("Elite") at the consideration of RM16,500,000; and
(ii) to acquire 10% of AHSB from Datin Khoo Phaik Ee ("Datin Khoo") at the consideration of RM3,000,000.

AHSB and it's subsidiaries engaged in manufacturing of plastic, high value added plastic product as it business core.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(c) Acquisition of subsidiaries (Continued)

2021 (Continued)

(B) Acquisition of 65% equity interest in Arita Holding Sdn Bhd and it's subsidiaries ("AHSB") (Continued)

(i) Fair value of the identifiable assets acquired and liabilities recognised:-

	Note	RM
Assets		
Property, plant and equipment	5	9,639,341
Right-of-use assets	6	34,197,976
Investment in share		9,920
Goodwill	10	1,448,814
Inventories		4,447,521
Receivables		8,391,848
Tax recoverable		170,934
Cash and bank balances		(1,387,116)
Total assets		56,919,238
Liabilities		
Loans and borrowings		(49,974,546)
Deferred tax liabilities	23	(6,353,355)
Payables		(9,636,437)
Total liabilities		(65,964,338)
Total identifiable net assets acquired		(9,045,100)
Non-controlling interest at fair value		2,962,358
Goodwill arising on acquisition	10	25,582,742
Share capital and pre-acquisition retained earnings		(9,045,100)
Fair value of consideration transferred		19,500,000

(ii) Effect of acquisition on cash flow:-

	RM
Fair value of consideration transferred	19,500,000
Less: Non-cash consideration	(19,500,000)
Consideration paid in cash	-
Less: Cash and cash equivalents of a subsidiary acquired	1,387,116
Net cash outflows on acquisition	1,387,116

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(c) Acquisition of subsidiaries (Continued)

2021 (Continued)

(B) Acquisition of 65% equity interest in Arita Holding Sdn Bhd and it's subsidiaries ("AHSB") (Continued)

(iii) Effect of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and loss net of tax are as follows:-

	RM
Revenue	25,227,628
Loss for the financial year	(9,115,097)

If the acquisition had occurred on 1 August 2020, the consolidated results for the financial year ended 31 July 2021 would have been as follows:-

	RM
Revenue	30,273,154
Loss for the financial year	(10,938,116)

(d) Disposal of subsidiaries

2021

(A) Disposal of 70% of interest in PT NDS Glokal Utama and its subsidiary company ("PTNDSGU")

On 30 July 2021, the Company disposed its 70% equity investment in PTNDSGU for a total consideration of RM500,000.

(i) Summary of the effects of disposal of PTNDSGU:

	Note	RM
Recognised:		
Cash consideration receivables		500,000
Equity and debts instruments		-
Fair value of consideration receivables		500,000
Derecognised:		
Fair value of identifiable net assets at disposal date		
- Property, plant and equipment	5	31,525
- Goodwill	10	54,824
- Non-controlling interest		(98,552)
- Net assets		298,028
		285,825
Gain on disposal of PTNDSGU		214,175

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(d) Disposal of subsidiaries (Continued)

2021 (Continued)

(A) Disposal of 70% of interest in PT NDS Glokal Utama and its subsidiary company ("PTNDSGU") (Continued)

(ii) Effects of disposal on cash flows:

	RM
Fair value of consideration receivables	500,000
Less: Non-cash consideration	-
Consideration receivables in cash	500,000
Less: Cash and cash equivalents of subsidiary disposed	-
Net cash inflows on disposal	500,000

(B) Disposal of 65% equity interest in Arita Holding Sdn Bhd and it's subsidiaries ("AHSB")

On 30 July 2021, the Company disposed its 65% equity investment in AHSB for a total consideration of RM19,500,000.

(i) Summary of the effects of disposal of AHSB:

	Note	RM
Recognised:		
Cash consideration receivable		19,500,000
Equity and debts instruments		-
Fair value of consideration receivable		19,500,000
Derecognised:		
Fair value of identifiable net assets at disposal date		
- Property, plant and equipment	5	8,129,198
- Right-of-use assets	6	33,301,452
- Goodwill	10	27,031,556
- Cash and cash equivalents		6,535,037
- Non-controlling interest		6,152,644
- Deferred tax liabilities	23	(6,294,984)
- Net liabilities		(61,279,715)
		13,575,188
Gain on disposal of AHSB		5,924,812

(ii) Effects of disposal on cash flows:

	RM
Fair value of consideration receivable	19,500,000
Less: Non-cash consideration	-
Consideration receivable in cash	19,500,000
Less: Cash and cash equivalents of subsidiary disposed	(6,535,037)
Net cash inflows on disposal	12,964,963

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(e) Incorporation of subsidiaries

2021

(i) Incorporation of two wholly-owned subsidiaries, NMED Bioscience Sdn Bhd ("NMEDBS") and NMED Life Science Sdn Bhd ("NMEDLS")

On 5 August 2020, Nexgram Biomedic Sdn Bhd ("NBSB"), a wholly-owned sub-subsidiary of the Company incorporated two wholly-owned subsidiaries, NMEDBS and NMEDLS by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest each in NMEDBS and NMEDLS for a total purchase consideration of RM100,000 respectively.

(ii) Incorporation of a wholly-owned subsidiary, Vaccine Lab Sdn Bhd ("VLSB")

On 7 August 2020, NBSB incorporated a wholly-owned subsidiary, VLSB by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest in VLSB for a total purchase consideration of RM100,000. On 4 September 2020, the shares owned by NBSB have been transferred to NMEDBS.

(iii) Incorporation of a wholly-owned subsidiary, Medical Brands Inc ("MBI")

On 11 August 2020, NBSB incorporated a wholly-owned subsidiary, MBI by ways of issuance of unlimited ordinary shares of USD0.0001 each representing 100% equity interest in MBI in British Virgin Island.

(iv) Incorporation of a wholly-owned subsidiary, Medic Asset Group Sdn Bhd ("MAGSB")

On 12 August 2020, NBSB incorporated a wholly-owned subsidiary, MAGSB by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest in MAGSB for a total purchase consideration of RM100,000.

(v) Incorporation of a wholly-owned subsidiary, NEG Auto Group Sdn Bhd ("NAGSB")

On 21 September 2020, Nexgram Industries Sdn Bhd ("NISB") incorporated a wholly-owned subsidiary, NAGSB by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest in NAGSB for a total purchase consideration of RM100,000.

(vi) Incorporation of a wholly-owned subsidiary, Medic Data Science Pte Ltd (SG) ("MDSPL")

On 30 September 2020, NBSB incorporated a wholly-owned subsidiary, MDSPL by way of issuance of 1,000 ordinary shares of SGD0.0001 each, representing 100% equity interest in MDSPL for a total consideration of SGD0.10.

(vii) Incorporation of a wholly-owned subsidiary, MDS Data Science (M) Sdn Bhd ("MDS")

On 17 November 2020, NMEDBS incorporated a wholly-owned subsidiary, MDS by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest in MDS for a total purchase consideration of RM100,000.

(viii) Incorporation of a wholly-owned subsidiary, Associate Partners Laboratories Sdn Bhd ("AP Lab")

On 24 November 2020, NMEDBS incorporated a wholly-owned subsidiary, AP Lab by way of issuance of 10,000,000 ordinary shares of RM0.01 each, representing 100% equity interest in AP Lab for a total purchase consideration of RM100,000.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(f) Transferred of shares among subsidiaries

2021

(i) On 5 August 2020, NBSB has transferred 100% equity interest in GASB to NMEDI.

(ii) On 26 August 2020, NBSB has transferred 100% equity interest in VLSB to NMEDBS.

(iii) On 27 October 2020, NISB has transferred 100% equity interest in Nexgram Zhida New Energy Development Sdn Bhd to NAGSB.

(iv) On 18 November 2020, NMEDBS has transferred 100% equity interest in MDS to MDSPL.

10. GOODWILL ON CONSOLIDATION

		Group	
	Note	2022 RM	2021 RM
At cost			
Balance as at beginning of the financial year		51,530,734	51,530,734
Acquisition of subsidiary companies	9	-	27,086,380
Disposal of subsidiary companies	9	-	(27,086,380)
Balance as at end of the financial year		51,530,734	51,530,734
Less: Accumulated impairment losses			
Balance as at beginning of the financial year		17,800,000	17,800,000
Impairment losses during the year		16,959,547	-
Balance as at end of the financial year		34,759,547	17,800,000
Carrying amount			
Balance as at end of the financial year		16,771,187	33,730,734

Goodwill arising from business combination has been allocated to a cash-generating unit ("CGU") for impairment testing purpose. The carrying amounts of goodwill amounting to RM9,251,923 (2021: RM24,351,922), RM7,519,264 (2021: RM7,519,264) and RM nil (2021: RM1,859,548) has been allocated to the investment in TSSB, SHSB Group and TRI-G. respectively.

During the financial year, the Company recognised impairment losses of RM15,100,000 (2021: Nil) and RM1,859,547 (2021: Nil) on goodwill allocated to CGU of TSSB and TRI-G respectively as these subsidiary companies reported continued losses.

The recoverable amounts of CGU allocated to TRI-G is determined based on the net assets of the respective CGU.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

10. GOODWILL ON CONSOLIDATION (CONTINUED)

The recoverable amount of the CGU of SHSB Group and TSSB are determined based on the value in use calculations using cash flow projections on financial budgets approved by directors covering a five (5) years period. The future cash flows are based on management's five (5) years business plan, which is the best estimate of future performance. The pre-tax discount rate applied to the cash flow projections for the five (5) years period is 10.4% per annum.

The calculation of value in use for this CGU is most sensitive to the following assumptions:-

(i)	Budgeted revenue	Revenue is based on the sale of security and video surveillance equipment.
(ii)	Budgeted gross margin	Gross margin is based on average values achieved in prior years preceding the start of the budget period. The anticipated growth rate for gross margin is projected to be minimal.
(iii)	Growth rates	Based on industry outlook for that segment and directors past experience.
(iv)	Pre-tax discount rate	Discount rate of 10.4% represents the weighted average cost of capital of the CGU.

The value assigned to the key assumptions represents directors' assessment of future trends in the trading related business and shipping industries and are based on both external sources and internal sources.

Sensitivity to changes in assumptions

Directors believe that no reasonable possible changes in any of the key assumptions above will cause the carrying values of the CGU to materially exceed its recoverable amount.

11. INVESTMENT IN AN ASSOCIATE

	Group	
	2022 RM	**2021 RM**
At cost:-		
Unquoted shares	677,998	677,998
Share of post-acquisition changes in net assets	738,632	722,685
	1,416,630	1,400,683

Details of the associate are as follows:-

Name of associate	Effective equity interest 2022	Effective equity interest 2021	Country of incorporation and principal place of business	Principal activities
Held through Sensorlink Holdings Sdn Bhd				
Sensormax Sdn Bhd^	49%	49%	Malaysia	Dealer in all kind of security system and protection equipment

^ Audited by CAS Malaysia PLT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

11. INVESTMENT IN AN ASSOCIATE (CONTINUED)

The following table summarises the information of the associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate.

	Group	
	2022 RM	2021 RM
Summary of financial position		
Non-current assets	101,080	571,924
Current assets	3,481,862	2,816,346
Non-current liabilities	-	(76,059)
Current liabilities	(691,860)	(453,674)
Net assets	2,891,082	2,858,537
Summary of financial performance		
Revenue	5,278,416	11,914,316
Cost of sales	(3,579,179)	(10,137,263)
Gross profit	1,699,237	1,777,053
Other income	73,936	55,918
Administrative and other expenses	(1,699,134)	(1,071,589)
Finance costs	(2,359)	(4,235)
Profit before taxation	71,680	757,147
Taxation	(39,135)	(215,527)
Profit for the financial year	32,545	541,620
Group's share of results of an associate	15,947	265,394

The reconciliation of the above summarised financial information to the carrying amount of the investment in an associate is as follows:-

	Group	
	2022 RM	2021 RM
Net assets	2,891,082	2,858,537
Effective ownership interest	49%	49%
Share of net assets	1,416,630	1,400,683

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

12. OTHER INVESTMENTS

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Non-current assets				
Fair value through profit or loss:				
Quoted shares	750,871	-	750,871	-
Fair value through other comprehensive income:				
Quoted shares outside Malaysia	6,989,178	7,349,678	-	-
	7,740,049	7,349,678	750,871	-

The currency profile of investment in quoted shares is as follows:-

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Ringgit Malaysia	750,871	-	750,871	-
Indonesian Rupiah	6,989,178	7,349,678	-	-
	7,740,049	7,349,678	750,871	-

(a) Quoted ordinary shares of the Group are categorised as Level 1 in the fair value hierarchy. Fair value of quoted ordinary shares of the Group are estimated based on unadjusted closing price in active market.

(b) At 31 July 2022, the Group has recognised RM453,779 of fair value loss through other comprehensive income (2021: RM1,979,685 of fair value loss through other comprehensive income).

(c) At 31 July 2022, the Group has recognised RM276,637 of fair value loss through profit or loss (2021: Nil).

(d) During the previous financial year, the Group has disposed off part of the investment in quoted shares and has transferred the RM520,913 of fair value loss previously recognised from fair value reserve to accumulated losses.

13. INVENTORIES

(a) Land held for property development

	Group 2022 RM	Group 2021 RM
At beginning of the year		
Freehold land	22,614,225	22,614,225
Reclassified to investment properties (Note 8)	(22,614,225)	-
	-	22,614,225

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

13. INVENTORIES

(a) Land held for property development (Continued)

The freehold land has been pledged to a licensed bank for credit facility granted to a subsidiary as disclosed in Note 22 to the financial statements.

In previous financial year, the Group has performed valuation on the freehold land for development by an independent qualified valuer, registered with Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. The fair value of the freehold land is higher than the cost of the freehold. Therefore, there is no reduction in the cost of land to net realisable value.

(b) Trading inventories

	Group	
	2022 RM	2021 RM
At cost		
Finished goods	6,498,768	4,789,551
Less: Provision for slow-moving inventories	(853,639)	(736,944)
Less: Written off	(32,423)	(33,371)
	5,612,706	4,019,236
<u>Recognised in profit or loss:</u>		
Inventories recognised as cost of sales	18,949,634	24,679,486
Slow moving and obsolete inventories written down	149,118	229,251

Slow moving and obsolete inventories written down and written back are included in cost of sales.

The reconciliation of inventories' movements in provision for slow-moving inventories of the Group is as follow:-

	Group	
	2022 RM	2021 RM
At beginning of the financial year	736,944	541,064
Addition during the financial year	116,695	195,880
At end of the financial year	853,639	736,944

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

14. TRADE RECEIVABLES

	Group 2022 RM	Group 2021 RM
Trade receivables - gross	13,602,978	13,391,576
Less: Allowance for impairment losses	(7,226,085)	(2,903,223)
Trade receivables - net	6,376,893	10,488,353

Movement in the allowance for impairment losses

The allowance account in respect of the trade receivables are used to record impairment and other losses. The creation and release of allowance for impaired receivables have been included in ‘administrative and other expenses’ in the profit or loss. Unless the Group is satisfied that recovery of the amount is possible, then the amount considered irrecoverable is written off against the receivable directly.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The movement in the allowance for impairment losses of trade receivables during the financial year are as follows:

Group

2022	Lifetime ECL RM	Credit impaired RM	Total RM
Balance as at beginning of the financial year	2,498,825	404,398	2,903,223
Allowance for impairment losses	405,753	4,115,597	4,521,350
Reversal of impairment losses	(198,488)	-	(198,488)
Balance as at end of the financial year	2,706,090	4,519,995	7,226,085
2021			
Balance as at beginning of the financial year	2,466,437	404,398	2,870,835
Allowance for impairment losses	71,791	-	71,791
Written off	(39,403)	-	(39,403)
Balance as at end of the financial year	2,498,825	404,398	2,903,223

Based on the Group’s and the Company’s historical collection experience, the amounts of trade receivables presented on the statements of financial position represent the amount exposed to credit risk. The management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the net trade receivables.

During the financial year, the Group managed to collect from some of the trade receivables which have been impaired in previous financial years. As a result, the allowance for impairment losses on trade receivables had been reversed during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

14. TRADE RECEIVABLES (CONTINUED)

The ageing of the receivables and allowance for impairment losses provided for above are as follows:

Group

		Allowance for impairment loss		
2022	**Gross carrying amount RM**	**ECL Collectively assessed RM**	**ECL Individually assessed RM**	**Net balance RM**
Neither past due nor impaired	1,858,005	-	(640)	1,857,365
Past due 1 - 30 days	1,145,129	(95)	(1,462)	1,143,572
Past due 31 - 60 days	510,813	(3,670)	(1,334)	505,809
Past due 61 - 90 days	701,520	(3,393)	(4,786)	693,341
More than 90 days	4,867,516	(935,000)	(1,755,710)	2,176,806
	9,082,983	(942,158)	(1,763,932)	6,376,893
Credit Impaired				
Past due more than 90 days	4,519,995	-	(4,519,995)	-
	13,602,978	(942,158)	(6,283,927)	6,376,893
2021				
Neither past due nor impaired	4,221,821	(110,976)	(108,946)	4,001,899
Past due 1 - 30 days	2,424,871	(49,352)	(72,138)	2,303,381
Past due 31 - 60 days	1,064,783	(11,493)	(2,846)	1,050,444
Past due 61 - 90 days	1,642,693	(12,474)	(12,086)	1,618,133
More than 90 days	3,633,010	(6,614)	(2,111,900)	1,514,496
	12,987,178	(190,909)	(2,307,916)	10,488,353
Credit Impaired				
Past due more than 90 days	404,398	(404,398)	-	-
	13,391,576	(595,307)	(2,307,916)	10,488,353

The maximum exposure of credit risk at the reporting date is the carrying value of receivables mentioned above. The Group does not hold any collateral as security.

The Group's normal trade credit term range from 30 to 90 days (2021: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

15. OTHER RECEIVABLES

		Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Other receivables		5,719,081	31,620,380	3,768,468	8,532,579
Less: Allowance for impairment losses		(5,681,477)	(6,136,098)	(3,768,468)	(4,204,761)
Other receivables - net	(a)	37,604	25,484,282	-	4,327,818
Deposits	(b)	934,734	13,624,230	-	-
Prepayments	(c)	55,264	247,069	-	-
		1,027,602	39,355,581	-	4,327,818

(a) Other receivables

Included in previous financial year, there are other receivables of the Group and of the Company relating to a profit guarantee receivable and consideration receivable from disposal of two (2) subsidiary companies as disclosed in Note 9(d), which management represented that the amount has been collected during current financial year. The movement of these other receivables are analysed as follows:

	Group / Company	
	2022 RM	2021 RM
<u>Profit Guarantee receivable</u>		
Balance as at beginning of the financial year	4,180,673	4,180,673
Payment received	(2,050,000)	-
Offset to other payable *	(2,130,673)	-
Balance as at end of the financial year	-	4,180,673
<u>Consideration receivable</u>		
Balance as at beginning of the financial year	20,000,000	-
Amount receivable during the year	-	20,000,000
Payment received	(2,500,000)	-
Offset to other payable *	(17,500,000)	-
Balance as at end of the financial year	-	20,000,000

* During the financial year ending 31 July 2022, the Group has incurred renovation costs amounting to RM21,949,084 for the Langkawi Project as disclosed in Note 5(c) to the financial statements. The Group had entered into an agreement with the other receivables and contractor of the Project for offsetting partial renovation cost.

Other receivables are unsecured and non-interest bearing. The currency exposure profile of other receivables is entirely in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

15. OTHER RECEIVABLES (CONTINUED)

(a) Other receivables (Continued)

The movement in the allowance for impairment losses of other receivables during the financial year are as follows:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Balance as at beginning of the financial year	6,136,098	6,676,024	4,204,761	4,204,761
Written off	(18,328)	(535,594)	-	-
Reversal of impairment losses	(436,293)	(4,332)	(436,293)	-
Balance as at end of the financial year	5,681,477	6,136,098	3,768,468	4,204,761

During the financial year, the Group managed to collect from some of the other receivables which have been impaired in previous financial years. As a result, the allowance for impairment losses on other receivables had been reversed during the financial year.

(b) Deposits

	Group	
	2022 RM	**2021 RM**
Deposits	934,734	13,671,230
Written off during the financial year	-	(47,000)
Total	934,734	13,624,230

Included in deposits of the Group is an amount of RM nil (2021: RM12,500,000) in relation to the stakeholder's sum held by Group's solicitor.

On 30 November 2021, the Group has received the Court of Appeal decision to set aside the Share Sale Agreement with Spacious Glory Sdn Bhd as disclosed in Note 40(a) to the financial statements. Subsequently, the Group's solicitor has released the deposit of RM12,500,000 to the Group during the financial year.

(c) Prepayment

	Group	
	2022 RM	**2021 RM**
Prepayment	55,264	247,069
Written off during the financial year	-	-
Total	55,264	247,069

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

16. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

	Company	
	2022 RM	2021 RM
Amount due from subsidiary companies:-		
Non-trade balances	162,489,431	143,613,558
Less: Accumulated impairment losses	(157,640,447)	(118,319,667)
	4,848,984	25,293,891
Amount due to subsidiary companies:-		
Non-trade balances	(7,458,786)	(480,757)

The amount due from/(to) subsidiary companies represented non-trade transactions which are unsecured, interest free and repayable on demand.

The movement in the allowance for impairment losses of amount due from subsidiary companies during the financial year are as follows:

	Company	
	2022 RM	2021 RM
Balance as at beginning of the financial year	118,319,667	117,549,547
Impairment losses recognised during the financial year	40,867,536	1,418,581
Reversal on impairment losses during the financial year	(1,546,756)	(648,461)
Balance as at end of the financial year	157,640,447	118,319,667

17. FIXED DEPOSITS PLACED WITH LICENSED BANKS

	Group	
	2022 RM	2021 RM
With maturity of 1 to 3 months	9,916,517	10,765,825
With maturity of more than 3 months	4,907,076	4,820,932
	14,823,593	15,586,757

The effective interest rates of the fixed deposits with licensed banks at the reporting date ranged from 1.00% to 2.58% (2021: 1.00% to 2.56%) per annum.

Included in fixed deposits placed with licenced banks of the Group there is an amount of RM3,142,816 (2021: RM4,068,997) were pledged with licensed banks as security for banking facilities granted to the Group as disclosed in Note 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

18. CASH AND BANK BALANCES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash in hand	27,031	81,115	632	632
Cash at bank	4,031,276	8,002,627	239,456	3,068,467
	4,058,307	8,083,742	240,088	3,069,099

19. SHARE CAPITAL

	Group and Company			
	2022 Number of shares (units)	2021 Number of shares (units)	2022 RM	2021 RM
Issued and fully paid:				
Balance as at the beginning of the financial year	3,674,983,874	2,361,204,480	90,195,510	206,519,923
Conversion of ICPS	741,687,071	1,313,779,394	14,833,742	26,275,587
Reduction in share capital	-	-	-	(142,600,000)
Conversion of warrant	100,000	-	1,131	-
Expiry of warrants	-	-	4,378,124	-
Balance as at the end of the financial year	4,416,770,945	3,674,983,874	109,408,507	90,195,510

During the financial year, the Company increased its share capital from RM90,195,510 to RM109,408,507 through the following:

(a) conversion of 741,687,071 Irredeemable Convertible Preference Share (“ICPS”) to 741,687,071 new ordinary shares on a basis of one (1) ICPS together with the payment of RM0.02 for every one (1) ordinary shares as disclosed in Note 20(f) to the financial statements.

(b) conversion of 10,000 units of Warrant A of RM1,131 to share capital on a basis of one (1) new warrant for every ten (10) ordinary shares.

(c) transfer of share capital from Warrant A of RM4,378,124 due to the warrant is unexercised and has expired on 17 May 2022.

The new ordinary shares issued during the financial year ranked pari passu in all respect of the distribution of dividends and repayment of capital with existing ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

20. RESERVES

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Non-distributable:					
Warrant reserve	(a)	1,903,140	6,281,395	1,903,140	6,281,395
Fair value reserve	(b)	(1,898,179)	(1,444,400)	-	-
Revaluation reserve	(c)	2,144,074	2,158,852	-	-
Treasury share	(d)	(245,000)	(245,000)	(245,000)	(245,000)
Translation reserve	(e)	(4,473,820)	(3,929,047)	-	-
ICPS	(f)	-	7,416,871	-	7,416,871
RCPS	(g)	3,312,297	16,429,850	-	-
Total reserve		742,512	26,668,521	1,658,140	13,453,266

(a) Warrant reserve

	Issued date	Maturity date	Exercise price RM	Revised exercise price RM	Balance of fair value at 31.07.2022 RM	Balance of fair value at 31.07.2021 RM
Warrants A	17.05.2012	16.05.2022	0.10	0.10	-	4,378,255
Warrants B	23.07.2013	22.07.2023	0.35	0.26	-	-
Warrants C	16.01.2014	15.01.2024	0.11	0.10	1,903,140	1,903,140
Warrants D	11.03.2022	10.03.2032	0.02	N/A	-	-
					1,903,140	6,281,395

Warrants 2012/2022 ("Warrants A") constituted under the deed poll dated 9 May 2012 and the supplemental deed poll dated 23 May 2013 ("Deed Poll A").

Warrants 2013/2023 ("Warrants B") constituted under the deed poll dated 22 July 2013 ("Deed Poll B").

Warrants 2014/2024 ("Warrants C") constituted under the deed poll dated 4 October 2013 ("Deed Poll C").

Warrants 2022/2032 ("Warrants D") constituted under the deel poll dated 11 February 2022 ("Deed Poll D").

In financial period 2016, the warrants reserve arising from the allocation of fair value of 211,513,345 Warrants C issued pursuant to the rights issue amounting to RM1,903,620 which had been charged to share premium. The fair value of 120,000,000. Warrants B which issued pursuant to the acquisition of investment properties was valued at zero.

In accordance with the provisions under the Deed Polls and consequential to the bonus issue, exercise prices of Warrants have been revised and number of Warrant have been adjusted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

20. RESERVES (CONTINUED)

(a) Warrant reserve (Continued)

The addition of number Warrants arising pursuant to bonus issue, acquisition of investment properties and rights issue had listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad.

	Number of warrants				
	As at 01.08.2021 Units	Issued Units	Exercised Units	Expired Units	As at 31.07.2022 Units
Warrants A	335,382,607	-	(10,000)	335,372,607	-
Warrants B	159,999,752	-	-	-	159,999,752
Warrants C	281,684,356	-	-	-	281,684,356
Warrants D	-	882,847,640	-	-	882,847,640

The main features of the warrants are as follows:-

(i) Each warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share of RM0.10 each in the Company at an exercise price as mentioned above.

(ii) The exercise price and the number of warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions set out in the deed poll.

(iii) The warrants shall be exercisable at any time within the period commencing on and including the date of issue of the warrants until the last market day prior to the tenth anniversary of the date of issue of the warrants.

(iv) All new ordinary shares to be issued arising from the exercise of the warrants shall rank pari passu in all respects with the existing ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the warrants.

(v) At the expiry of the exercise period, any warrants which have not been exercised will lapse and cease to be valid for any purpose.

Warrants 2012/2022 ("Warrants A")

During the financial year, there are conversion of 10,000 units of Warrant A of RM1,131 to share capital on a basis of one (1) new warrant for every ten (10) ordinary shares as disclosed in Note 19 to the financial statements.

The 2012/2022 warrants expired on 16 May 2022. The exercise period for the warrants 2012/2022 is ten (10) years commencing from the date of issuance of the warrants. Warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

20. RESERVES (CONTINUED)

(a) Warrant reserve (Continued)

Warrants 2022/2032 ("Warrants D")

The Company's issuance of 882,847,640 warrants on the basis of one (1) Warrant D for every five (5) existing ordinary shares in the Company were listed on the Bursa Malaysia Securities Berhad on 10 March 2022.

<u>Salient features of Warrant D are as follows:-</u>

(i) Issue size

Up to 1,038,261,532 Warrants D.

(ii) Form and denomination

The Warrants D will be issued in registered form and constituted by the Deed Poll D.

(iii) Exercise price

RM0.02 per Warrant D payable in respect of each Share or such other exercise price that may be adjusted in accordance with the terms and conditions of the Deed Poll D.

(iv) Expiry date

At the close of business at 5.00 p.m. on the date immediately preceding the tenth (10th) year commencing from and inclusive of the date of issuance of the Warrants D and if such a day is not a market day, on the immediately preceding market day ("Expiry Date").

(v) Exercise period

The Warrants D may be exercised at any time within ten (10) years commencing from and inclusive of the date of issuance of the Warrants D until 5.00 p.m. on the Expiry Date. Any Warrants D which are not exercised at the expiry of the exercise period will thereafter lapse and cease to be valid for any purpose.

(vi) Exercise rights

Each Warrant D entitles the Warrant D holders to subscribe for one (1) new Share at the exercise price, at any time during the exercise period, subject to adjustments in accordance with the provisions of the Deed Poll D.

(vii) Mode of exercise

The registered Warrant D holder is required to lodge and deliver an exercise form, as prescribed in the Deed Poll D with our Company's share registrar, duly completed and signed together with the payment of the exercise price for the new Shares by way of banker's draft or cashier's order drawn on a bank operating in Malaysia in accordance with the provisions of the Deed Poll D.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

20. RESERVES (CONTINUED)

(b) Fair value reserve

Fair value reserve represents the cumulative fair value changes of equity investment financial asset until they are disposed or impaired.

(c) Revaluation reserve

	Group	
	2022	**2021**
	RM	**RM**
Balance as at beginning of the financial year	2,158,852	1,750,381
Fair value gain on right-of-use asset	29,195	474,419
Realisation of revaluation reserve	(43,973)	(65,948)
Balance as at end of the financial year	2,144,074	2,158,852

(d) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount as stated represents acquisition costs of the treasury shares. At 31 July 2022, the Company held a total of 1,730,000 (2021: 1,730,000) issued and paid-up ordinary shares as treasury shares. The treasury shares are held at a carrying amount of RM245,000. The shares purchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 in Malaysia and are presented as a deduction of equity.

(e) Translation reserve

The translation reserve represents exchange difference arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(f) ICPS

On 1 November 2019, the Company made an announcement to undertake a settlement of debt owing to a director, Tuan Haji Mazru Bin Mat Yusof ("Tuan Haji Mazru"), as well as selected creditors, Ozura Firstlogix Sdn Bhd ("Ozura") and Capital Day Holdings Sdn Bhd ("Capital Day") in an aggregate sum of RM23,454,665 will be settled through the issuance of 2,345,466,465 ICPS at an issue price of RM0.01 each based on separate settlement agreements on 30 August 2019 ("Settlement Agreements").

Movement of ICPS as below:-

	Group and Company	
	2022	**2021**
	RM	**RM**
Balance as at beginning of the financial year	7,416,871	20,554,665
Conversion during the year	(7,416,871)	(13,137,794)
Balance as at end of the financial year	-	7,416,871

There was conversion received during the financial year,none of the unit of (2021: 741,687,071) ICPS at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

20. RESERVES (CONTINUED)

(f) ICPS (Continued)

Salient terms of the ICPS as follow:-

(i) Tenure

Five (5) years commencing from and including the Issue Date of the ICPS.

(ii) Maturity date

The date immediately preceding the fifth (5th) anniversary of the Issue Date of the ICPS.

If the maturity date is not a market day, then it shall fall on the market day immediately preceding market day.

(iii) Dividend

The Company shall have the discretion to decide whether to declare any dividend as well as the quantum of such dividend. No dividend shall be payable to the ICPS holders if no dividend is declared to the Company's shareholders for the same financial year.

Dividend if declared shall be a non-cumulative preferential dividend in priority over all ordinary shares of the Company.

The right to receive the non-cumulative preferential dividends, including dividends in arrears, shall cease once the ICPS are converted into New NHB Shares (including where the ICPS are mandatorily or automatically converted in accordance with the terms of the ICPS).

(iv) Conversion rights

The registered ICPS holder shall have the right at any time during the Conversion Period to convert such amount of ICPS held into Company shares ("New NHB Shares") at the Conversion Price by completing the Conversion Notice and delivering the same to the Company together with the share certificates in respect of such ICPS or such other documents or evidence (if any) as the directors may require to prove the title and claim of the person exercising such right. A Conversion Notice once given may not be withdrawn without the consent in writing of the Company.

No adjustment to the Conversion Price shall be made for any declared and unpaid dividends on the ICPS surrendered for conversion.

Any outstanding ICPS not converted at the end of the Conversion Period shall be mandatorily and automatically converted into fully paid-up New NHB Shares at the Conversion Ratio (as defined herein) Price on the Maturity Date.

Any fractional New NHB Share (if any) arising from the mandatory conversion of the ICPS on the Maturity Date shall be disregarded and be dealt with by the Board of Directors of the Company, as it may deem fit and expedient in the best interest of the Company.

(v) Conversion Price

The conversion price of each ICPS is RM0.02 based on the Conversion Mode.

(vi) Conversion Period

The ICPS shall be convertible Into New NHB Shares on any market day commencing on and including the Issue Date of the ICPS up to and Including the Maturity Date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

20. RESERVES (CONTINUED)

(f) ICPS (Continued)

Salient terms of the ICPS as follow:- (Continued)

(vii) Conversion Mode

The ICPS may be converted into New NHB Shares in the following manner at the Conversion Price:-

(a) by surrendering for cancellation two (2) ICPS to be converted into every one (1) New NHB Share ("Conversion Ratio"); or

(b) by surrendering for cancellation one (1) ICPS to be converted and paying in cash RM0.01 (being the difference between the nominal value of ICPS surrendered and the Conversion Price), for every one (1) New NHB Share,

subject to the Adjustments Clause as provided herein.

(viii) Ranking of New NHB Shares arising from the conversion of the ICPS

The New NHB Shares to be issued upon the conversion of the ICPS shall rank pari passu in all respects with the then existing the Company's ordinary shares except that such New NHB Shares will not be entitled to any dividends, rights, allotments and/or distributions, that may be declared, made or paid prior to the date of allotment and issuance of such New NHB Shares.

(g) Redeemable convertible preference shares ("RCPS")

Movement of RCPS as below:-

	Group	
	2022	**2021**
	RM	**RM**
Balance as at beginning of the financial year	16,429,850	2,040,000
Issue during the financial year	-	19,500,000
Redemption during the financial year	(13,117,553)	(5,110,150)
Balance as at end of the financial year	3,312,297	16,429,850

There was redemption during the financial year, leaving a total unit of 90,746 (2021: 763,441) RCPS at the end of the financial year.

(A) On 28 April 2020, Nexgram Industries Sdn Bhd ("NISB") issued 25,500 RCPS at issue price of RM80 per RCPS for the acquisition of subsidiary, Tri-G Technologies Sdn Bhd on the basis of one (1) RCPS for one (1) NISB shares.

Salient terms of the RCPS as follow:-

(i) Tenure

Three (3) years commencing from and inclusive of the Issue Date with option to extend for another period of three (3) years.

(ii) Maturity Date

On maturity date of third (3rd) anniversary from the Issue Date, unless the tenure of the RCPS is agree to extend by NISB with agreement of the RCPS holders for another three (3) years.

If the Maturity Date is not a market day, then it shall fall on the market day immediately preceding the said non-market day.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

20. RESERVES (CONTINUED)

(g) Redeemable convertible preference shares (“RCPS”) (Continued)

(A) On 28 April 2020, Nexgram Industries Sdn. Bhd. (“NISB”) issued 25,500 RCPS at issue price of RM80 per RCPS for the acquisition of subsidiary, Tri-G Technologies Sdn Bhd on the basis of one (1) RCPS for one (1) NISB shares. (Continued)

Salient terms of the RCPS as follow:- (Continued)

(iii) Dividend

This is on zero coupon rate with no declaration of interest or dividend throughout the tenure.

(iv) Conversion Rights

Unless early conversion agreed by NISB, each RCPS may be converted into one (1) new NISB Share at third (3rd) anniversary of RCPS or if extended at the sixth (6th) anniversary of the RCPS shall be automatically converted into new NISB shares.

(v) Conversion Price

Shall be equivalent to the Issue Price and is convertible into one (1) NISB share.

(vi) Conversion Period

The RCPS shall be mandatorily redeemed and converted at the third (3rd) anniversary of the RCPS or if extended on the sixth (6th) anniversary of the RCPS based on the Conversion Mode.

(vii) Conversion Mode

The conversion of RCPS will not require any cash payment by the RCPS holder. The Conversion Price shall be satisfied by surrendering one (1) RCPS for one (1) NISB shares; or one (1) RCPS for four thousand (4,000) Nexgram Holdings Berhad (“NHB”) Share, subject to NHB procuring its shareholders and regulatory approvals, as well as adjustments if any.

(viii) Redemption Price

Based on the net assets of NISB or five (5) days weighted average share prices of NHB, whichever is higher.

(ix) Redemption Mode

The Company shall have the option to redeem the outstanding RCPS, provided that the pledged RCPS first being released to RCPS Holder in the following manners:

(a) By NISB, in case at the Redemption Price, up to 100% of the total RCPS issued; and/or

(b) By NISB, by way of issue of fresh shares of NISB, at the Redemption Price, up to 100% of the total RCPS issued; and/or

(c) By NHB, the Holding Company of NISB (for and on behalf of NISB at the Redemption Price, by issuing new shares in NHB to the RCPS holder, up to 100% of the total RCPS issued, subject to NHB procuring its shareholders and regulatory approvals; and

(d) The Company shall give the RCPS holders no less than seven (7) days’ notice prior to the date of redemption. The RCPS Holders shall be entitled to exercise their Conversion Rights in the event the Company issues a notice of redemption. The RCPS which have been redeemed will be cancelled and cannot be reissued.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

20. RESERVES (CONTINUED)

(g) Redeemable convertible preference shares ("RCPS") (Continued)

(B) On 13 October 2020, NMED Industries Sdn. Bhd. ("NMEDI") issued 1,000,000 RCPS at issue price of RM19.50 per RCPS for the acquisition of subsidiary, Arita Holdings Sdn. Bhd. on the basis of one (1) RCPS for one (1) NMEDI shares.

<u>Salient terms of the RCPS as follow:-</u>

i) Tenure

Three (3) years commencing from and inclusive of the Issue Date with option to extend for another period of three (3) years

(ii) Maturity Date

On maturity date of third (3rd) anniversary from the Issue Date, unless the tenure of the RCPS extended by NMEDI with the agreement of the RCPS holders for another three (3) years.

If the Maturity Date is not a working day, then it shall fall on the working day immediately preceding the said non-market day.

(iii) Dividend

Zero coupon rate with no declaration of interest or dividend throughout the tenure.

(iv) Conversion Rights

Unless early conversion NMEDI agrees on, each RCPS may be converted into one (1) new NMEDI Share on the third (3rd) anniversary of RCPS of if extended, on the sixth (6th) anniversary of the RCPS, shall be automatically converted into new NMEDISB shares.

(v) Conversion Price

Shall be equivalent to the Issue Price and is convertible into one (1) NMEDI share.

(vi) Conversion Period

The RCPS shall be mandatorily redeemed and converted at the third (3rd) anniversary of the RCPS or if extended on the sixth (6th) anniversary of the RCPS.

(vii) Conversion Mode

The conversion of RCPS will not require any cash payment by the RCPS holders. The Conversion Price shall be satisfied by surrendering one (1) RCPS for one (1) NMEDI shares.

(viii) Redemption Price

Based on the net assets of NMEDI.

(ix) Redemption Mode

The Company shall have the option to redeem the outstanding RCPS, provided that the pledged RCPS first being released to RCPS Holder by NMEDI, in case at the Redemption Price, up to 100% of the total RCPS issued.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

21. ACCUMULATED LOSSES

The Group and the Company reported accumulated losses position as at reporting date.

22. LOAN AND BORROWINGS

		Group	
	Note	2022 RM	2021 RM
Current			
Secured:-			
Bank overdrafts	(a)	931,410	946,406
Banker's acceptances	(a)	2,677,401	5,531,010
Trust receipts	(a)	585,749	607,536
Hire purchase payables	(b)	313,889	286,819
Term loans	(c)	1,522,231	766,331
		6,030,680	8,138,102
Non-current			
Secured:-			
Hire purchase payables	(b)	585,146	868,173
Term loans	(c)	8,388,096	9,577,874
		8,973,242	10,446,047
Total loans and borrowings		15,003,922	18,584,149

Rates of interest charged per annum:

	Group	
	2022 %	2021 %
Bank overdrafts	6.25 - 8.76	6.81 - 7.59
Banker's acceptances	3.61 - 3.71	3.61 - 3.71
Trust receipts	6.92	6.92 - 8.17
Hire purchase payables	2.26 - 4.52	2.46 - 5.01
Term loans	4.30 - 10.20	2.93 - 9.45

(a) Bank overdrafts, banker's acceptances and trust receipts

The bank overdrafts, banker's acceptances and trust receipts are secured by way of:-

(i) pledged of fixed deposits as disclosed in Note 17;

(ii) corporate guarantee by the Group; and

(iii) legal charges over leasehold land and buildings and investment properties of the Group as disclosed in Note 6 and 8.

(iv) guarantee by the Directors of the Group.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

22. LOAN AND BORROWINGS (CONTINUED)

(b) Hire purchase payables

	Group 2022 RM	2021 RM
Minimum hire purchase payments:-		
- not later than one (1) year	378,010	329,603
- later than one (1) year but not later than five (5) years	554,057	715,844
- later than five (5) years	38,610	204,961
	970,677	1,250,408
Less: Future finance charges	(71,642)	(95,416)
	899,035	1,154,992
Analysis of present value of hire purchases payables:-		
Current		
- not later than one (1) year	313,889	286,819
Non-current		
- later than one (1) year but not later than five (5) years	547,253	779,214
- later than five (5) years	37,893	88,959
	585,146	868,173
Total hire purchase payables	899,035	1,154,992

The hire purchase payables are secured by way of charge over the leased assets as disclosed in Note 5 to financial statements.

(c) Term loans

	Group 2022 RM	2021 RM
Current		
- not later than one (1) year	1,522,231	766,331
Non-current		
- later than one (1) year but not later than five (5) years	6,205,909	7,125,397
- later than five (5) years	2,182,187	2,452,477
	8,388,096	9,577,874
Total term loans	9,910,327	10,344,205

The term loans are secured by way of the first legal charge over the Group's investment properties and land held for property development as disclosed in Note 6, Note 8 and Note 13 respectively to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

23. DEFERRED TAXATION

	Note	Group 2022 RM	Group 2021 RM
Balance as at beginning of the financial year		1,095,196	631,869
Recognised in profit or loss	31	1,614,202	190,932
Recognised in other comprehensive income		13,171	214,024
Acquisition of a subsidiary company	9	-	6,353,355
Disposal of a subsidiary company	9	-	(6,294,984)
Balance as at end of the financial year		2,722,569	1,095,196

Presented after appropriate offsetting as follows:-

	2022 RM	2021 RM
Deferred tax liabilities	2,722,569	1,095,196

Deferred tax liabilities

	Property, plant and equipment 2022 RM	Property, plant and equipment 2021 RM
Balance as at beginning of the financial year	11,265	11,131
Recognised in profit or loss	497,604	(58,237)
Acquisition of a subsidiary company (Note 9(c))	-	6,353,355
Disposal of a subsidiary company (Note 9(d))	-	(6,294,984)
Balance as at end of the financial year	508,869	11,265

	Revaluation of property, plant and equipment 2022 RM	Revaluation of property, plant and equipment 2021 RM
Balance as at beginning of the financial year	1,083,931	620,738
Recognised in profit or loss	1,116,598	249,169
Recognised in other comprehensive income	13,171	214,024
Balance as at end of the financial year	2,213,700	1,083,931

24. TRADE PAYABLES

	Group 2022 RM	Group 2021 RM
Trade payables	12,934,906	8,433,760
Trade payables, net	12,934,906	8,433,760

The credit period granted to the Group for trade purchases ranged from 30 to 90 days (2021: 30 to 90 days).

Included in trade payables of the Group is an amount of RM445,607 (2021: RM518,503) owing to related parties in which certain directors have significant direct interest.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

25. OTHER PAYABLES

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Other payables	(a)	10,019,484	6,769,999	2,936,196	3,441,041
Deposits		704,497	432,378	-	-
Accruals	(b)	3,889,822	1,703,973	1,219,775	817,515
		14,613,803	8,906,350	4,155,971	4,258,556

(a) Other payables

Included in other payables of the Group and of the Company is an amount of RM1,725,157 (2021: RM1,725,157) in relation to the advances from ex-directors, where the amount is unsecured, interest free and repayable on demand.

Included in other payables of the Group is an amount of RM500,000 (2021: RM500,000) in relation to the advances from payables, where the amount is unsecured, interest free and repayable on demand.

Included in other payables of the Group is an amount of RM1,382,000 (2021: RM1,382,000) in relation to the advances from payables, where the amount is unsecured, subject to interest rates range from 4% to 6% (2021: 4% to 6%) and repayable within six (6) months.

Included in other payables of the Group is an amount of RM2,318,411 (2021: Nil) in relation to the outstanding amount due to the contractor of the Project as disclosed in Note 5 to the financial statements.

(b) Accruals

Included in accruals of the Group and of the Company are an amount of RM234,300 and RM468,600 (2021: nil for both the Group and the Company) respectively in relation to the legal claim as disclosed in Note 40(b)(ii) to the financial statements.

26. AMOUNT DUE TO DIRECTORS

Amount owing to directors are unsecured, interest-free and repayable on demand.

27. REVENUE

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Revenue comprises the following:				
(i) Revenue from contract with customers	30,686,658	72,739,157	-	-
(ii) Revenue from other sources:				
- Rental income	291,800	408,000	-	-
- Management fee	42,000	177,000	-	600,000
	31,020,458	73,324,157	-	600,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

27. REVENUE (CONTINUED)

27.1 Disaggregation of revenue from contracts with customers

The Group's revenue is disaggregated by principal geographical areas, major product and services line and timing of revenue recognition. This is consistent with the revenue information as disclosed in Note 36 Segment Information.

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Principal geographical areas:				
Malaysia	31,020,458	73,309,261	-	600,000
Indonesia	-	14,896	-	-
	31,020,458	73,324,157	-	600,000
Major products and service lines:				
Sale of goods	23,978,542	54,710,137	-	-
Services rendered	6,708,116	18,029,020	-	-
Rental income	291,800	408,000	-	-
Management fee	42,000	177,000	-	600,000
Total	31,020,458	73,324,157	-	600,000
Timing of revenue recognition:				
At point in time	29,870,710	72,739,157	-	-
Over time	1,149,748	585,000	-	600,000
	31,020,458	73,324,157	-	600,000

27.2 Revenue from remaining performance obligations

Revenue from remaining performance obligations where goods have not been delivered or services have not been rendered as at the reporting date are:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Rendering of services				
- Within 1 year	1,033,409	2,076,549	-	-
- Between 1 to 2 years	35,258	891,875	-	-
- Between 2 to 3 years	-	22,750	-	-
	1,068,667	2,991,174	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

27. REVENUE (CONTINUED)

The following information reflects the typical transactions of the Group and of the Company:-

	Nature of goods and services	Timing of recognition	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Sales of goods:-						
1.	Sale of security and video surveillance equipment	Revenue is recognised at a point in time when the goods are delivered to customers.	Credit period of 30 to 60 days from the invoice date.	Trade discounts	Not applicable	Defect liability period up to one (1) to three (3) years is given to customers.
2.	Sale of network equipment	Revenue is recognised at a point in time when the goods are delivered to customers.	Credit period of 30 to 90 days from the invoice date.	Not applicable	Not applicable	Defect liability period up to three (3) years is given to customers.
3.	Sale of medical equipment	Revenue is recognised at a point in time when the goods are delivered to customers.	Credit period of 30 to 90 days from the invoice date.	Not applicable	Not applicable	Not applicable
Services rendered:-						
1.	Repair and maintenance of security and video surveillance	Revenue is recognised in over time when services rendered to customers.	Credit period of 30 to 60 days from the invoice date.	Not applicable	Not applicable	Not applicable
2.	Provision of logistics services	Revenue is recognised at a point in time when services rendered to customers.	Credit period of 30 to 90 days from the invoice date.	Not applicable	Not applicable	Not applicable

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

27. REVENUE (CONTINUED)

The following information reflects the typical transactions of the Group and of the Company:- (Continued)

Nature of goods and services		Timing of recognition	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Rental income:-						
1.	Properties management	Revenue is recognised in over time with the substance of the relevant terms of agreements.	Credit period of 30 to 90 days from the invoice date.	Not applicable	Not applicable	Not applicable
2.	Rental income	Revenue is recognised in over time with the substance of the relevant terms of agreements / contracts.	Credit period of 30 days from the invoice date.	Not applicable	Not applicable	Not applicable
Management fee:-						
1.	Management fee	Revenue is recognised in over time with the substance of the relevant terms of agreements / contracts.	Credit period of 30 days from the invoice date.	Not applicable	Not applicable	Not applicable

28. FINANCE COSTS

	Group 2022 RM	Group 2021 RM
Interest expenses on:		
- Bank overdrafts	66,570	321,000
- Bank guarantee charges	-	35,657
- Hire purchase	11,034	55,772
- Term loans	584,889	823,022
- Trust receipts	-	30,637
- Banker's acceptances	257,144	2,591,669
- Lease liabilities	90,661	38,424
	1,010,298	3,896,181

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

29. LOSS BEFORE TAXATION

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Loss before taxation is arrived at after charging:				
Auditors' remuneration:				
- current year	206,000	177,000	55,000	55,000
- under provision prior year	2,000	7,011	-	-
- special audit	10,000	10,000	10,000	-
- non-statutory audit	8,000	7,000	8,000	7,000
Amortisation of intangible assets (Note 7)	12,621	2,603	-	-
Depreciation on property, plant and equipment (Note 5)	1,052,466	2,196,761	-	-
Depreciation on right-of-use assets (Note 6)	615,305	1,318,910	-	-
Directors' remuneration (Note 30)	1,985,918	1,975,454	301,200	297,000
Fair value loss on investment (Note 12)	276,637	-	276,637	-
Impairment losses:-				
- amount due from subsidiary companies (Note 16)	-	-	40,867,536	1,418,581
- goodwill on consolidation (Note 10)	16,959,547	-	-	-
- investment in subsidiaries (Note 9)	-	-	45,235,602	2,515,338
- trade receivables (Note 14)	4,521,350	71,791		
- property, plant and equipment (Note 5)	-	7,735	-	-
Loss on disposal of property, plant and equipment	39,909	-	-	-
Slow-moving inventories written down (Note 13)	116,695	195,880	-	-
Property development cost expensed off	-	32,494	-	-
Rental expenses:-				
- Equipments	9,931	13,953	-	-
- Motor vehicles	-	32,160	-	-
- Offices	-	18,632	-	-
Staff costs:-				
- Salaries, bonuses	4,450,744	5,057,684	-	-
- Defined contribution plans	1,038,109	529,038	-	-
- Other benefits	24,816	64,549	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

29. LOSS BEFORE TAXATION (CONTINUED)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Written-off of:-				
- Bad debt - trade receivables	96,408	9,705	-	-
- Deposits (Note 15)	-	47,000	-	-
- Inventories - finished goods (Note 13)	32,423	33,371	-	-
- Property, plant and equipment (Note 5)	138,006	29,017	-	-
after crediting:				
Dividend income	(134,094)	(151,446)	-	-
Fair value gain on investment properties (Note 8)	(15,985,775)	(1,100,000)	-	-
Gain on disposal of property, plant and equipment	(999)	(96,090)	-	-
Gain on disposal of subsidiary companies (Note 9)	-	(6,138,987)	-	-
Gain on disposal of quoted shares (Note 29)	-	(294,881)	-	-
Gain on termination of lease	(5,939)	(10,102)	-	-
(Gain)/Loss on foreign exchange:-				
- unrealised	(44,712)	9,318	-	-
- realised	-	(123,060)	-	-
Government subsidies	-	(83,971)	-	-
Interest income	(316,716)	(701,236)	(162)	(11,492)
Rental income	(436,884)	(7,800)	-	-
Reversal of impairment losses on amount owing by an associate (Note 16)	-	(35,967)	-	-
Reversal of impairment losses on amount owing by subsidiary companies	-	-	(1,546,756)	(648,461)
Reversal of impairment losses on trade receivables (Note 14)	(198,488)	(39,403)	-	-
Reversal of impairment losses on other receivables (Note 15)	(436,293)	(4,332)	(436,293)	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

30. DIRECTORS' REMUNERATIONS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Executive Directors				
- Fees	476,000	351,832	-	-
- Salaries, bonuses and allowances	1,126,374	1,258,885	120,000	120,000
- Others	202,344	169,737	-	-
Total	1,804,718	1,780,454	120,000	120,000
Non-Executive Directors				
- Fees	168,000	186,000	168,000	168,000
- Meeting allowances	13,200	9,000	13,200	9,000
Total	181,200	195,000	181,200	177,000
Grand Total	1,985,918	1,975,454	301,200	297,000

31. TAXATION

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Income taxation				
Provision for current financial year	423,634	580,588	-	-
(Over)/under provision in the previous financial year	(28,919)	78,689	-	-
	394,715	659,277	-	-
Deferred taxation				
Recognised in the income statement (Note 23)	1,614,471	179,000	-	-
(Over)/under provision in the previous financial year	(269)	11,932	-	-
	1,614,202	190,932	-	-
Tax expenses for the current financial year	2,008,917	850,209	-	-

Domestic current income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated assessable loss for the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

31. TAXATION (CONTINUED)

The reconciliation of income tax expense applicable to the loss before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Loss before taxation	(16,950,160)	(7,947,155)	(85,915,595)	(4,596,813)
Tax at the statutory tax rate of 24% (2021: 24%)	(4,068,038)	(1,907,317)	(20,619,743)	(1,103,235)
Non-deductible expenses	4,553,880	2,460,337	20,851,032	1,262,152
Non-taxable income	(4,356,415)	(869,987)	(475,971)	(158,389)
Deferred tax assets not recognised during the financial year	4,331,911	976,540	244,682	(528)
Utilisation of previously unrecognised deferred tax assets	(13,765)	5,143	-	-
Deferred tax liabilities on valuation gain	1,598,578	110,000	-	-
Crystallisation of deferred tax liabilities arose from revaluation surplus	(8,046)	(15,128)	-	-
(Over)/underprovided in the previous financial year				
- Income Taxation	(28,919)	78,689	-	-
- Deferred Taxation	(269)	11,932	-	-
Tax expenses for the current financial year	2,008,917	850,209	-	-

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other deductible temporary difference	7,733,749	3,307,684	-	-
Unabsorbed capital allowances	897,563	461,658	-	-
Unutilised tax losses	19,964,776	6,834,471	1,045,794	26,289
	28,596,088	10,603,813	1,045,794	26,289
Unrecognised deferred tax assets at 24% (2021: 24%)	6,863,061	2,544,915	250,991	6,309

The unabsorbed capital allowances can be carried forward indefinitely, and unutilised tax losses can be carried forward for a maximum period of seven (7) consecutive years of assessment (“YA”) effective from year 2019 and it can only be utilised against income from the same business source. Pursuant to Section 8 of the Finance Act 2021, the unutilised tax losses is allowed to be carried forward for a period of maximum of ten (10) consecutive years of assessment. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits. The unabsorbed capital allowances and unutilised tax losses are subject to the agreement of the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

31. TAXATION (CONTINUED)

The unutilised tax losses are available for offset against future taxable profits of the Group and of the Company up to the following financial years:

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Utilisation period				
Indefinite	8,631,312	3,769,342	-	-
Expired by 31 July 2028 (Previously expired by YA 2025)	2,191,555	2,311,845	-	-
Expired by 31 July 2029 (Previously expired by YA 2026)	66,562	66,562	26,289	26,289
Expired by 31 July 2030 (Previously expired by YA 2027)	392,765	434,651	-	-
Expired by 31 July 2031 (Previously expired by YA 2028)	4,097,869	4,021,413	-	-
Expired by 31 July 2032	13,216,025	-	1,019,505	-
	28,596,088	10,603,813	1,045,794	26,289

32. LOSS PER SHARE

(a) Basic loss per ordinary share

Basic loss per share is based on the earnings for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year calculated as follows:

	Group 2022	Group 2021
Loss attributable to ordinary shareholders (RM'000)	(15,425)	(5,331)
Weighted average number of ordinary shares (units'000)	4,362,887	2,753,182
Basic loss per ordinary share (sen)	(0.35)	(0.19)

The basic loss per ordinary share is calculated by dividing the consolidated net loss attributable to equity owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

32. LOSS PER SHARE (CONTINUED)

(b) Diluted loss per ordinary share

Diluted loss per share is calculated by dividing the loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from conversion of ICPS and warrants into ordinary shares. The ICPS are deemed to have been converted into ordinary shares at the date of the issue of the ICPS.

	Group	
	2022	**2021**
Loss attributable to ordinary shareholders (RM'000)	(15,425)	(5,331)
Weighted average number of ordinary shares (units'000)	4,362,887	2,753,182
Adjusted for:		
Assumed shares issued from the conversion of		
- Warrants A ^	-	-
- Warrants B ^	-	-
- Warrants C ^	-	-
- Warrants D *	4,414,238	-
- ICPS *	-	7,416,871
Adjusted weighted average number of ordinary shares on issue and issuable (units'000)	8,777,125	10,170,053
Fully diluted loss per share (sen)*	(0.18)	(0.05)
	*	*

* The diluted loss per share for the current and previous financial year is equal to the basic earnings per share as the conversion of potential ordinary shares would decrease loss per share from continuing operations. Thus, the potential effect of the conversion of warrants/ICPS would be anti-dilutive.

^ The exercise price of the Warrant A, Warrant B and Warrant C exceeds the average market price of ordinary shares during the financial year. Therefore, the warrants do not have any dilution effect on the weighted average number of ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

33. FINANCIAL GUARANTEES CONTRACTS

	Company	
	2022	2021
	RM	RM
Secured		
Corporate guarantee given to licensed bank for banking facilities granted to a subsidiary company	11,488,116	14,754,559

As at the end of the reporting year, there was no indication that any subsidiary company would default on repayment.

The corporate guarantee have not been recognised since the fair value on initial recognition was not material as the repayment is on schedule and no liability.

34. CAPITAL COMMITMENTS

The Group and the Company have made commitments for the following capital expenditures:

	Group	
	2022	2021
	RM	RM
Contracted but not provided for:		
Property, plant and equipment - acquisition of leasehold land	61,526,758	61,526,758
Property, plant and equipment - renovation	9,490,048	-
	71,016,806	61,526,758

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 ("PKNM") to acquire a piece of 99 years of leasehold land in Melaka.

On 5 May 2022, MAGSB has entered into a Design and Build Contractor Works For Century One Helang Hotel Langkawi ("the Project") with the Contractor with a contract sum of RM31,439,132. As at 31 July 2022, MAGSB has incurred renovation cost amounted to RM21,949,084 for the Project.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

35. RELATED PARTY DISCLOSURES

(a) Identities of related parties

The Group and the Company have related party relationships with its directors, key management personnel and entities within the same group of companies.

The outstanding balances arising from related party transaction as at the reporting date are disclosed in Notes 16, 26 and 30.

(b) In addition to the information detailed elsewhere in the financial statements, the Company carried out the following transactions with its related parties during the financial year:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Related parties:-				
Purchase of services which certain directors has substantial interest	193,440	3,780,488	-	-
Sales of goods to a company connected to a director	360,400	5,041,600	-	-
Associate:-				
Management fee	42,000	63,000	-	-
Sale of goods	1,357,280	2,834,684	-	-
Sale of equipment	-	31,789	-	-
Subsidiary:-				
Management fee	-	-	-	600,000

(c) The key management personnel comprised all the directors of the Group and of the Company whose remuneration during the year are disclosed in Note 30.

The directors of the Group and of the Company are of the opinion that the related party transactions have been entered into the normal course of business on an arm's length basis and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

36. SEGMENT INFORMATION

General information

The information reported to the Group's chief operating decision maker to make decision about resources to be allocated and for assessing their performance is based on the nature of the industry (business segments) and operational location (geographical segments) of the Group.

Measurement of Reportable Segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Transaction between reportable segments are measured on the basis that is similar to those external customers.

Segments statements of profit or loss and other comprehensive income are profit earned or loss incurred by each segments without allocation of central administrative costs, non-operating investment revenue, finance costs and income tax expense. There are no significant changes from prior financial year in the measurement methods used to determine reported segment statements of comprehensive income.

All the Group's assets are allocated to reportable segments other than assets used centrally for the Group, current and deferred tax assets. Jointly used assets are allocated on the basis of the revenues earned by individual segments.

All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group, current and deferred tax liabilities. Jointly incurred liabilities are allocated in proportion to the segment assets.

(a) Business segments

The reportable business segment of the Group comprise the following:

(a) Investment holding;

(b) Information technology services ("ICT");
  (i) Malaysia – home country
  (ii) Oversea– consists of British Virgin Island

(c) Property investment;

  (i) consists of property development, property investment and management

(d) Logistics; and
  (i) consists of shipping

(e) Healthcare
  (i) consists of medical equipment

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

36. SEGMENT INFORMATION (CONTINUED)

(a) Business segments (Continued)

Group 2022	Investment Holding RM	ICT Malaysia RM	ICT Oversea RM	Property Investment RM	Logistics RM	Healthcare RM	Elimination RM	Note	Consolidated RM
Revenue									
External revenue	-	22,856,174	-	-	771,657	7,392,627	-		31,020,458
Inter-segment revenue	-	-	-	60,000	-	1,097,029	(1,157,029)	(a)	-
Total revenue	-	22,856,174	-	60,000	771,657	8,489,656	(1,157,029)		31,020,458
Results									
Segment results	(86,730,111)	(2,023,890)	(925,391)	(2,227,876)	(1,297,536)	(16,368,384)	100,213,187	(a)	(9,360,001)
Amortisation of intangible assets	-	-	-	-	-	(12,621)	-		(12,621)
Depreciation of property, plant and equipment	-	(257,956)	-	(20,160)	(148,008)	(626,342)	-		(1,052,466)
Depreciation of right-of-use assets	-	(401,720)	-	-	(84,302)	(129,283)	-		(615,305)
Finance costs	(2,125)	(228,336)	-	(374,559)	(43,640)	(361,638)	-		(1,010,298)
Finance income	162	231,083	-	55,462	1,572	28,437			316,716
Income tax expense	-	(369,512)	-	(1,641,259)	(3,546)	5,400	-		(2,008,917)
Other non-cash expenses	816,481	(65,172)	-	15,792,959	141,080	(4,577,745)	(17,339,735)	(i)	(5,232,132)
Share of results of an associate	-	15,947	-	-	-	-	-		15,947
(Loss)/Profit for the financial year	(85,915,593)	(3,099,556)	(925,391)	11,584,567	(1,434,380)	(22,042,176)	82,873,452		(18,959,077)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

36. SEGMENT INFORMATION (CONTINUED)

(a) Business segments (Continued)

Group 2022	Investment Holding RM	ICT Malaysia RM	ICT Oversea RM	Property Investment RM	Logistics RM	Healthcare RM	Elimination RM	Note	Consolidated RM
Assets									
Segment assets	32,268,343	47,053,440	7,994,410	46,020,583	1,265,085	44,529,225	(44,491,275)	(b)	134,639,811
Goodwill	-	395,338	-	-	-	-	16,375,849		16,771,187
Tax recoverable	-	111,169	-	-	-	20,000	-		131,169
Consolidated total assets	32,268,343	47,559,947	7,994,410	46,020,583	1,265,085	44,549,225	(28,115,426)		151,542,167
Other information									
Addition to property, plant and equipment	-	45,924	-	300,000	3,199	30,562,812	-		30,911,935
Addition to right-of-use assets	-	-	-	-	390,000	6,282,977	-		6,672,977
Liabilities									
Segment liabilities	11,783,772	19,490,098	112,853,919	20,276,301	8,481,949	55,693,941	(197,218,380)	(c)	31,361,600
Loans and borrowings	-	4,367,657	-	5,727,994	856,370	4,051,901	-		15,003,922
Deferred tax liabilities	-	1,051,603	-	1,605,971	-	-	64,995		2,722,569
Lease liabilities	-	775,646	-	-	326,799	6,193,033	-		7,295,478
Consolidated total liabilities	11,783,772	25,685,004	112,853,919	27,610,266	9,665,118	65,938,875	(197,153,385)		56,383,569

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

36. SEGMENT INFORMATION (CONTINUED)

(a) Business segments (Continued)

Group 2021	Investment Holding RM	ICT Malaysia RM	ICT Oversea RM	Property Investment RM	Logistics RM	Healthcare RM	Elimination RM	Note	Consolidated RM
Revenue									
External revenue	-	19,884,573	-	-	12,250,862	41,188,722	-		73,324,157
Inter-segment revenue	600,000	-	-	-	-	1,225,541	(1,825,541)	(a)	-
Total revenue	600,000	19,884,573	-	-	12,250,862	42,414,263	(1,825,541)		73,324,157
Results									
Segment results	(4,580,764)	(375,143)	2,098,031	(3,659,773)	(338,443)	(6,384,762)	4,750,351	(a)	(8,490,503)
Depreciation of property, plant and equipment	-	(268,170)	-	(96)	(190,045)	(1,738,450)	-		(2,196,761)
Depreciation of right-of-use assets	-	(346,878)	-	-	(29,002)	(943,030)	-		(1,318,910)
Finance costs	-	(215,973)	-	(361,382)	(54,528)	(3,264,298)	-		(3,896,181)
Finance income	11,492	261,420	-	418,801	2,563	6,960	-		701,236
Income tax expense	-	(553,611)	-	(113,224)	-	(183,374)	-		(850,209)
Other non-cash expenses	(27,541)	1,023,315	-	(32,494)	(33,907)	6,059,197	-	(i)	6,988,570
Share of results of an associate	-	265,394	-	-	-	-	-		265,394
(Loss)/Profit for the financial year	(4,596,813)	(209,646)	2,098,031	(3,748,168)	(643,362)	(6,447,757)	4,750,351		(8,797,364)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

36. SEGMENT INFORMATION (CONTINUED)

(a) Business segments (Continued)

Group 2021	Investment Holding RM	ICT Malaysia RM	ICT Oversea RM	Property Investment RM	Logistics RM	Healthcare RM	Elimination RM	Note	Consolidated RM
Assets									
Segment assets	104,354,810	43,965,909	8,518,463	36,403,344	1,475,324	39,411,490	(105,854,381)	(b)	128,274,959
Goodwill	-	395,338	-	-	-	-	33,335,396		33,730,734
Tax recoverable	-	216,946	-	-	231	33,836	-		251,013
Consolidated total assets	104,354,810	44,578,193	8,518,463	36,403,344	1,475,555	39,445,326	(72,518,985)		162,256,706
Other information									
Addition to property, plant and equipment	-	130,122	-	-	4,676	935,434	-		1,070,232
Liabilities									
Segment liabilities	5,372,516	12,838,953	107,094,234	23,671,606	7,445,968	18,509,067	(154,364,927)	(c)	20,567,417
Loans and borrowings	-	4,710,853	-	5,905,987	977,416	6,989,893	-		18,584,149
Deferred tax liabilities	-	1,018,936	-	-	-	11,265	64,995		1,095,196
Lease liabilities	-	1,076,660	-	-	17,826	141,256	-		1,235,742
Consolidated total liabilities	5,372,516	19,645,402	107,094,234	29,577,593	8,441,210	25,651,481	(154,299,932)		41,482,504

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

(a) Inter-segment transactions and revenue are eliminated on consolidation;
(b) Inter-segment assets are eliminated on consolidation; and
(c) Inter-segment liabilities are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

36. SEGMENT INFORMATION (CONTINUED)

(a) Business segments (Continued)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

(i) Other non-cash expenses consist of the following items:-

	Group	
	2022 RM	2021 RM
Fair value gain on investment properties	(15,985,775)	(1,100,000)
Gain on disposal of property, plant and equipment	(999)	(96,090)
Gain on disposal of subsidiary companies	-	(6,138,987)
Gain on foreign exchange- unrealised	(44,712)	9,318
Gain on termination of lease	(5,939)	(10,102)
Loss on disposal of property, plant and equipment	39,909	-
Reversal of impairment loss on:-		
- amount owing by an associate	-	(35,967)
- trade receivables	(198,488)	(39,403)
- other receivables	(436,293)	(4,332)
Impairment loss on:-		
- goodwill on consolidation	16,959,547	-
- trade receivables	4,521,350	71,791
- property, plant and equipment	-	7,735
Provision of slow-moving inventories	116,695	195,880
Property development cost expensed off	-	32,494
Written-off of:-		
- bad debt - trade receivables	96,408	9,705
- deposits	-	47,000
- inventories - finished goods	32,423	33,371
- property, plant and equipment	138,006	29,017
	5,232,132	(6,988,570)

(b) Geographical information

Revenue and non-current assets are based on the geographical location of customers and assets respectively.

	Revenue		Non-current assets	
	2022 RM	2021 RM	2022 RM	2021 RM
Malaysia	31,020,458	73,309,261	112,177,601	77,137,728
Indonesia	-	14,896	-	-
British Virgin Island	-	-	7,334,296	7,334,296
	31,020,458	73,324,157	119,511,897	84,472,024

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

36. SEGMENT INFORMATION (CONTINUED)

(c) Major customer

The following are major customer with revenue equal or more than 10% of the Group's total revenue:-

		Revenue	
	Segment	2022 RM	2021 RM
Customer A	ICT Malaysia	5,834,204	-

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing its risks.

The main areas of the financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:

38.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of the changes in market interest rates. The Group's and the Company's exposure to interest rate risk relates to interest-bearing financial assets and liabilities. Interest-bearing financial assets include fixed deposits with licensed banks. Interest-bearing liabilities include bank overdrafts, trust receipt, banker acceptance, hire purchase payables, term loan and lease liabilities.

The interest rates per annum on the financial assets and liabilities are disclosed in Note 6, 17 and 22.

The Group adopts a strategy of mixing fixed and floating rates borrowing to minimise exposure to interest rate risk. The Group and the Company also review their debt portfolio to ensure favourable rates are obtained.

<u>Sensitivity analysis for interest rate</u>

As the Group does not account for its fixed rate financial instruments at fair value through profit or loss, any changes in interest rates at the end of reporting year would not affect its profit or loss. For floating rate financial instruments stated at amortised cost, the following table demonstrates the sensitivity of profit or loss to changes in interest rates that were reasonably possible at the end of the reporting period, with all other variables held constant:-

	Group	
	(Decrease)/ Increase in Profit or Loss 2022 RM	(Decrease)/ Increase in Profit or Loss 2021 RM
Increase in interest rate by 5%	(687,521)	(850,821)
Decrease in interest rate by 5%	687,521	850,821

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.2 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk mainly arises from its receivables. The Company is also exposed to credit risk in respect of its advances to subsidiaries and financial guarantees provided for credit facilities granted to certain subsidiaries. Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. For bank balances, the Group and the Company minimise credit risk by dealing exclusively with reputable financial institution. The maximum credit risk exposure of these financial assets is best represented by their respective carrying amounts in the statements of financial position.

(a) Trade receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis through the review of receivables ageing.

The maximum exposure to credit risk is disclosed in Note 14 to the financial statements, representing the carrying amount of the trade receivables recognised on the statement of financial position.

As at 31 July 2022, the Group has significant concentration of credit risk in the form of outstanding amount of approximately RM5,381,054 (2021: RM5,430,621) due from three (3) (2021: two (2)) trade receivables respectively which represents 40% (2021: 40%) of the total trade receivables of the Group. The directors are of the opinion that these amounts outstanding are fully recoverable. Credit risk and receivables are monitored on an ongoing basis. These procedures substantially mitigate credit risk of the Group.

Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk are monitored individually.

(b) Other receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. The maximum exposure to credit risk is disclosed in Note 15 to the financial statements, representing the carrying amount of the other receivable recognised on the statement of financial position.

(c) Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

(d) Advances to subsidiary companies

The Company provides unsecured advances to its subsidiary companies and monitors the results of the related companies regularly. The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. As at 31 July 2022, the Company had made sufficient allowance for impairment loss on advances to its subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.2 Credit risk (Continued)

(e) Financial guarantee

The Company provides secured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on individual basis.

The maximum exposure to credit risk is disclosed in Note 33 to the financial statements, representing the carrying amount of the financial guarantee not recognised on the statement of financial position.

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when the subsidiary is unlikely to repay its credit obligation to the bank in full.

During the financial year, the Company has not credit impaired any financial guarantee.

38.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. Foreign currency exposures in transactional currencies other than functional currencies are kept to an acceptable level. The Group and the Company has not entered into any derivative financial instruments such as forward foreign exchange contracts.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including British Virgin Island. The Group's investments in foreign operations are not hedged.

The net unhedged financial assets/(liabilities) of the Group at year end that are not denominated in Ringgit Malaysia are as follows:

Group

2022	USD RM	Others RM	Total RM
Cash and bank balances	263,612	605	264,217
Trade receivables	62,114	-	62,114
Trade payables	(282,027)	-	(282,027)
	43,699	605	44,304

Group

2021	USD RM	Others RM	Total RM
Cash and bank balances	153,817	772	154,589
Trade receivables	589,039	-	589,039
Trade payables	(1,034,879)	-	(1,034,879)
	(292,023)	772	(291,251)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.3 Foreign currency risk (Continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group's pre-tax loss to a reasonably possible change in the USD against the respective functional currencies of the Group, with all other variables held constant.

		Group	
		(Decrease)/ Increase in Profit or Loss 2022 RM	(Decrease)/ Increase in Profit or Loss 2021 RM
USD/RM	- strengthened 1%	437	2,920
	- weakened 1%	(437)	(2,920)

38.4 Market Price Risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market price (other than interest or exchange rates).

The Group has in place policies to manage the Group's exposure to fluctuations in the selling price or services rendered of the Group's products and purchase prices of the key raw materials used in the operations. The management conducts constant survey of the global market price and trend in order to determine the selling price.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.5 Other price risk

The Group's exposure to other price risk arises mainly from other investment. The Group manages its exposure to other price risk by maintaining a portfolio of debt securities and equities with different risk profiles. Reports on the investment portfolio are submitted to the Group's senior management on a regular basis.

The following table demonstrates the sensitivity of profit or loss to reasonably possible price movements in quoted investments, with all other variables held constant:-

	Group	
	(Decrease)/ Increase in Profit or Loss 2022 RM	(Decrease)/ Increase in Profit or Loss 2021 RM
Increase in price by 10%	774,005	734,968
Decrease in price by 10%	(774,005)	(734,968)

38.6 Liquidity and cash flow risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risks arises primarily from mismatched of the maturities of financial assets and liabilities. The Group's and the Company's objectives are to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all financing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.6 Liquidity and cash flow risk (Continued)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:-

Group

2022	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	More than 5 years RM
Trade and other payables	27,548,709	-	27,548,709	27,548,709	-	-
Amount due to directors	3,531,369	-	3,531,369	3,531,369	-	-
Bank overdrafts	931,410	6.25 - 8.76	931,410	931,410	-	-
Banker acceptances	2,677,401	3.61 - 3.71	2,677,401	2,677,401	-	-
Trust receipts	585,749	6.92	585,749	585,749	-	-
Hire purchase payables	899,035	2.26 - 4.52	970,677	378,010	554,057	38,610
Term loans	9,910,327	4.30 - 10.20	9,910,327	1,522,231	6,205,909	2,187,187
Lease liabilities	7,295,478	3.71 - 7.67	7,858,420	3,898,300	3,960,120	-
	53,379,478		54,014,062	41,073,179	10,720,086	2,220,797
2021						
Trade and other payables	17,340,110	-	17,340,110	17,340,110	-	-
Amount due to directors	2,962,004	-	2,962,004	2,962,004	-	-
Bank overdrafts	946,406	6.81 - 7.59	946,406	946,406	-	-
Banker acceptances	5,531,010	3.61 - 3.71	5,531,010	5,531,010	-	-
Trust receipts	607,536	6.92 - 8.17	607,536	607,536	-	-
Hire purchase payables	1,154,992	2.46 - 5.01	1,250,408	329,603	715,844	204,961
Term loans	10,344,205	2.93 - 9.45	10,344,205	766,331	7,125,397	2,452,477
Lease liabilities	1,235,742	3.71 - 4.07	1,315,660	402,460	913,200	-
	40,122,005		40,297,339	28,885,460	8,754,441	2,657,438

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.6 Liquidity and cash flow risk (Continued)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:- (Continued)

Company

2022	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	More than 5 years RM
Other payables	4,155,971	-	4,155,971	4,155,971	-	-
Amount due to subsidiary companies	(7,458,786)	-	(7,458,786)	(7,458,786)	-	-
Amount due to directors	169,016	-	169,016	169,016	-	-
Financial guarantee contracts	11,448,116	-	11,448,116	11,448,116	-	-
	8,354,317		8,354,317	8,354,317	-	-
2021						
Other payables	4,258,556	-	4,258,556	4,258,556	-	-
Amount due to subsidiary companies	480,757	-	480,757	480,757	-	-
Amount due to directors	633,203	-	633,203	633,203	-	-
Financial guarantee contracts	14,754,559	-	14,754,559	14,754,559	-	-
	20,127,075		20,127,075	20,127,075	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.6 Liquidity and cash flow risk (Continued)

The table below provides an analysis of financial instruments categorised as follows:-

(i) Financial asset measured at fair value through other comprehensive income
(ii) Financial asset measured at fair value through profit or loss
(iii) Financial assets measured at amortised cost
(iv) Financial liabilities measured at amortised cost

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Financial assets				
At fair value through other comprehensive income				
Other investments	6,989,178	7,349,678	-	-
At fair value through profit or loss				
Other investments	750,871	-	750,871	-
At amortised costs				
Trade receivables	6,376,893	10,488,353	-	-
Other receivables	972,338	39,108,512	-	4,327,818
Amount due from subsidiary companies	-	-	4,848,984	25,293,891
Fixed deposits with licensed banks	14,823,593	15,586,757	-	-
Cash and bank balances	4,058,307	8,083,742	240,088	3,069,099
	26,231,131	73,267,364	5,089,072	32,690,808
Financial liabilities				
At amortised costs				
Trade payables	12,934,906	8,433,760	-	-
Other payables	14,613,803	8,906,350	4,155,971	4,258,556
Loans and borrowings	15,003,922	18,584,149	-	-
Lease liabilities	7,295,478	1,235,742	-	-
Amount due to subsidiary companies	-	-	7,458,786	480,757
Amount due to directors	3,531,369	2,962,004	169,016	633,203
	53,379,478	40,122,005	11,783,773	5,372,516

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.7 Net (gain)/losses arising from financial instruments

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Net (gain)/losses on:-				
Financial assets at amortised cost	(316,716)	(701,236)	(162)	(11,492)
Financial asset at fair value through other comprehensive expense/(income)	453,779	(1,979,685)	-	-
Financial asset at fair value through profit or loss	276,637	-	276,637	-
Financial liabilities at amortised cost	1,010,298	3,896,181	-	-
	1,423,998	1,215,260	276,475	(11,492)
Net loss on impairment of financial instruments:-				
Financial assets at amortised cost	3,982,977	48,794	38,884,487	770,120

38.8 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments that are carried at fair value and those not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

Group	Financial instruments that are carried at fair value			
Financial asset	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2022				
Investment in quoted shares	7,740,049	-	-	7,740,049
2021				
Investment in quoted shares	7,349,678	-	-	7,349,678

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.8 Fair value of financial instruments (Continued)

Group	Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value			
	Level 1	Level 2	Level 3	Total
2022	**RM**	**RM**	**RM**	**RM**
Financial liabilities				
Loans and borrowings	-	-	15,003,922	15,003,922
Lease liabilities	-	-	7,295,478	7,295,478
Amount due to directors	-	-	3,531,369	3,531,369
	-	-	25,830,769	25,830,769
2021				
Financial liabilities				
Loans and borrowings	-	-	18,584,149	18,584,149
Lease liabilities	-	-	1,235,742	1,235,742
Amount due to directors	-	-	2,962,004	2,962,004
	-	-	22,781,895	22,781,895
Company				
2022				
Financial asset				
Amount due from subsidiary companies	-	-	4,848,984	4,848,984
	-	-	4,848,984	4,848,984
Financial liabilities				
Amount due to subsidiary companies	-	-	7,458,786	7,458,786
Amount due to directors	-	-	169,016	169,016
	-	-	7,627,802	7,627,802

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.8 Fair value of financial instruments (Continued)

Company (Continued)	**Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**			
	Level 1	**Level 2**	**Level 3**	**Total**
2021	**RM**	**RM**	**RM**	**RM**
Financial asset				
Amount due from subsidiary companies	-	-	25,293,891	25,293,891
	-	-	25,293,891	25,293,891
Financial liabilities				
Amount due to subsidiary companies	-	-	480,757	480,757
Amount due to directors	-	-	633,203	633,203
	-	-	1,113,960	1,113,960

Policy on transfer between levels

The fair value of an asset or liability to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2021: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

38.8 Fair value of financial instruments (Continued)

Amount due from/(to) subsidiary companies, loan and borrowings, lease liabilities and amount due to directors

The fair value of these financial instruments which is determine for disclosure purposes, are estimated by discounting expected future cash flows at market increment lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

The responsibility for managing the above risks is vested in the directors.

39. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manage the capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial year ended 31 July 2022.

The Group and the Company monitor capital using a net debt equity ratio, which is net debts divided by capital and net debts. The Group's and the Company's net debts include total liabilities less provision for taxation, deferred tax liabilities, amount due to subsidiary companies and cash and cash equivalents. Total capital comprises share capital and reserves attributable to owners of the Group and of the Company. The Group and the Company are not subject to externally imposed capital requirements.

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Net debts	53,379,478	40,122,005	4,324,987	4,891,759
Less: Cash and cash equivalents	(12,107,151)	(13,834,164)	(240,088)	(3,069,099)
Net debts	41,272,327	26,287,841	4,084,899	1,822,660
Equity attributable to owners of the Company	91,890,430	113,984,170	20,484,569	98,982,293
Capital and net debts	133,162,757	140,272,011	24,569,468	100,804,953
Gearing ratio (%)	30.99	18.74	16.63	1.81

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

40. MATERIAL LITIGATION

(a) Legal suit with Spacious Glory Sdn. Bhd.

Spacious Glory Sdn. Bhd. ("Plaintiff") vs Nexgram Land Sdn. Bhd. (currently known as Coconut Three Sdn. Bhd. ("CTSB")) ("Defendant")

CTSB, a wholly-owned subsidiary of the Company had on 18 July 2017 received a sealed Writ of Summons dated on 13 July 2017 ("the Writ") and Statement of Claim dated on 12 July 2017 from the Plaintiff's solicitor claiming the sum of RM12,500,000 from the Defendant.

The Plaintiff is claiming RM12,500,000 from the Defendant, being the purchase consideration for the sale and purchase of 770,000 ordinary shares, representing 70% equity interest in Blue Hill Development Sdn. Bhd. ("BHD") by the Defendant from the Plaintiff pursuant to the Sale and Purchase Agreement ("SPA") dated on 15 April 2016.

The claim had been categorically denied and disputed by the Defendant and Defendant had at the same time on 21 August 2017 filed a counter-claim against the Plaintiff for breach of warranties especially with regards to the no-litigations (current or future, written or verbal, and apparent, contingent or threatened) confirmation made by its director during the due diligence exercise prior to signing of the SPA of the shares in BHD between Plaintiff and the Defendant.

The claim and counterclaim were tried in the Kuala Lumpur High Court on 4 June 2018 to 6 June 2018. On 20 July 2018, the High Court allowed Plaintiff's claim for RM12,500,000 plus interest in the original action. The High Court also allowed Defendant's claim for misrepresentation in the counterclaim action but did not grant the relief sought by the Defendant to (amongst others) terminate the Share Sale Agreement ("SSA") for misrepresentation.

Defendant has appealed against the High Court's decision and appeal is fixed for hearing on 9 October 2019. The Appellant had on 7 October 2019 filed a Notice of Motion to stay the Appeal.

On 15 October 2019, a physical Case Management to fix the hearing date for the Notice of Motion for the stay of Appeal as well as the Appeal proper. The Court of Appeal has fixed that the hearing of both Motion for Stay of Appeal as well as the Appeal proper on 16 December 2019. On 11 December 2019, the Appellant filed the Appellant's Second ("2nd") Motion for a Stay of Appeal. On 16 December 2019, the Appellant withdrawn the First ("1st") Motion for Stay and requested from the Court to reply to the Affidavit in Reply filed by the First Respondent in respect of the Appellant's 2nd Motion for a Stay of Appeal. The Court of Appeal then fixed the hearing of Appellant's 2nd Motion for a Stay of Appeal on 17 January 2020. On 17 January 2020, the Court of Appeal dismissed the Appellant's 2nd Motion for a Stay of Appeal and fixed the Appeal proper on 27 March 2020. Following the Movement Control Order ("MCO") issued by the Malaysian Government from 18 to 31 March 2020, as preventive measure to control the widespread of COVID-19 pandemic, the Court of Appeal had vacated the hearing of the Appeal proper and 27 March 2020 had been made a case management date by e-review to fix a new hearing date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

40. MATERIAL LITIGATION (CONTINUED)

(a) Legal suit with Spacious Glory Sdn. Bhd. (Continued)

Spacious Glory Sdn. Bhd. ("Plaintiff") vs Nexgram Land Sdn. Bhd. (currently known as Coconut Three Sdn. Bhd. ("CTSB")) ("Defendant") (Continued)

On 27 March 2020, the Court of Appeal has fixed on 28 August 2020 as the hearing of the Appeal proper. Hearing of the Appeal which was fixed on 28 August 2020 has been adjourned by the Court to 11 November 2020 pending leave from the High Court on the application by the First Respondent and the Second Respondent to proceed with the cross Appeal, due to restriction to file or proceed with any suit against the Plaintiff, as a result of the application for Judicial Management by the First Respondent.

The hearing was subsequently adjourned by the court to 26 April 2021. However, the court has fixed for Case Management pending obtaining Sanction from Director General of Insolvency ("DGI") on 5 July 2021. The application of Sanction has been approved by the Official Receiver vide their letter dated 27 August 2021.

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

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

(i) the claim for specific performance granted by the High Court to Spacious Glory Sdn Bhd and the order for the Coconut Three to pay the consideration sum of the RM12,500,000 to Spacious Glory Sdn Bhd pursuant Share Sale Agreement dated 14 April 2016 ("SSA") are set aside;

(ii) that a declaration SSA between the parties is terminated and does not bind the parties accordingly to the law and not to be given effect;

(iii) the Respondent cross appeal both dated 19 October 2018 are unanimously dismissed; and

(iv) the decision of the High Court dated 20 July 2018 is varied accordingly.

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

Subsequently, on 7 November 2022, the hearing/case management was dismissed by the Federal Court with costs of RM30,000 each to be paid by Spacious Glory and Lau Tian Kit, subject to the payment at allocator fees.

(b) Legal suit with Lau Tian Kit

(i) Coconut Three Sdn. Bhd. ("Plaintiff") vs Lau Tian Kit ("Defendant")

The Plaintiff had on 11 August 2018 filed a Writ and Statement of Claim dated on 9 August 2018 in Kuala Terengganu High Court against the Defendant to claim for compensation for breach of Profit Guarantee Agreement dated on 14 April 2016 ("Profit Guarantee Agreement") given by the Defendant to the Plaintiff in which Blue Hill Development Sdn. Bhd. had failed to achieve RM2,000,000 post-tax profit and instead incurring a loss of RM5,250,311 as at 31 July 2017.

In Statement of Claim, the Plaintiff is claiming from the Defendant the following:-
(1) the sum of RM7,250,311 to be paid by the Defendant to the Plaintiff;
(2) interest at the rate of 5% per annum on the sum of RM7,250,311 to be calculated from 30 September 2017 up to the date of full settlement by the Defendant;
(3) costs of action on solicitors-client basis to be paid by the Defendant to the Plaintiff; and
(4) further and/or other relief that the Court deems just and/or suitable and/or fair.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

40. MATERIAL LITIGATION (CONTINUED)

(b) Legal suit with Lau Tian Kit (Continued)

(i) Coconut Three Sdn. Bhd. ("Plaintiff") vs Lau Tian Kit ("Defendant") (Continued)

On 20 September 2018, the Plaintiff had filed a Notice of Application for Summary Judgment against the Defendant. The Plaintiff had then served the unsealed Notice of Application and Affidavit in Support dated on 19 September 2018 and the sealed Notice of Application on 24 September 2018.

Subsequently, by the consent of both the Plaintiff and Defendant, the Plaintiff had withdrawn its application for Summary Judgment and the Defendant had withdrawn its application for striking out and the full trial took place on 14 January 2019. Oral clarification before the Honourable Judicial Commissioner was fixed on 31 May 2019, before the decision to be pronounced by the Court.

On 19 June 2019, the Court dismissed Plaintiff's Claim with cost on the basis that the audited financial statement used by the Plaintiff to refer to the post-tax profit under the Profit Guarantee Agreement of Blue Hill Development Sdn. Bhd. is the audited financial statement dated 31 July 2017 and not the audited financial statement dated 30 September 2017 which should be the basis of the Claim.

The Plaintiff has on 16 July 2019 filed an appeal in the Court of Appeal Putrajaya.

Court of Appeal Putrajaya: Coconut Three Sdn. Bhd. ("Plaintiff") vs Lau Tian Kit ("Defendant")

The Plaintiff has filed a Notice of Appeal on 16 July 2019 in the Court of Appeal and fixed 30 June 2020 for the hearing of the appeal on the Profit Guarantee Agreement.

On 4 October 2019, the Court of Appeal has fixed 30 June 2020 as the hearing of the appeal but it was vacated and converted to e-review to enable the Applicant to fix a hearing date of its Notice of Motion for Extension of Time. The Respondents have indicated that they are not objecting to the application for extension of time by the Appellant. Subsequently, the Court has fixed the date of the hearing of the appeal on 9 November 2020 and which was extended to 3 May 2021 and further was extended to 30 September 2021.

The case is fixed for Case Management on 26 October 2021 pending obtaining Sanction from DGI and on 26 October 2021 informed the Court that the Sanction has been granted by DGI on 13 October 2021.

The case is fixed on 7 August 2021 for hearing and E-review on 8 December 2021.

Following by the Court of Appeal's decision on 30 November 2021 to set aside the legal case as disclosed in Note 40(a) to the financial statements, the Profit Guarantee has become academic.

On 7 December 2021, the Court of Appeal has allowed the Respondent's application to strike out the appeal and dismissed the Appellant's application for extension of time to file the Record of Appeal with a cost of RM5,000 upon hearing both parties oral submissions.

(ii) 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, Spacious 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

40. MATERIAL LITIGATION (CONTINUED)

(b) Legal suit with Lau Tian Kit (Continued)

(ii) 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, Spacious Glory Sdn Bhd and 1 other ("Respondents") (Continued)

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

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

(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 Damages; and
(3) Coconut Three, Nexgram, Mazru and Leing Ti Kang jointly pay for RM180,000 as legal costs.

The legal damages above relating to the Group and the Company have been provided for in the financial statements, amounting to RM468,600 as disclosed in Note 25(b) to the financial statements.

(c) Legal Suit with Justin Faye & Partners

Winding Up Petition Served on Coconut Three Sdn. Bhd. ("Respondent") by Justin Faye & Partners ("Petitioner")

This Winding Up Petition was filed by Messrs. Justin Faye & Partners, the Petitioner on 4 February 2020. The said Winding Up Petition was heard and on 11 February 2021 and the Court has ordered that Coconut Three Sdn. Bhd. (Company No.: 1016195-X) be wound up by the Court under the provisions of the Companies Act 2016.

Both the Respondent and the Petitioner filed Application to appoint their own Private Liquidators and both said Applications were dismissed by the Judicial Commissioner Nadzarin Bin Wok Nordin on 05 February 2021.

On 11 February 2021, the Winding up Petition has been terminated.

(d) 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 in the opinion that the chances of success are good.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

40. MATERIAL LITIGATION (CONTINUED)

(e) 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 above mentioned suit, the Plaintiff claim against the Defendant for the following:-

(i) A declaration that the purported termination of the said Agreement by the Defendant is wrongful;

(ii) A sum of RM729,135 or any other sum as assessed by this Honorable Court being the balance sum unpaid by the Defendant for the delivered items;

(iii) Loss of profit for 3 years being the Contract period amounting to RM19,877,080 or any other sums as assessed by the Honorable Court;

(iv) Interest at the rate of 5% per annum on the adjudged amount in paragraph (ii) and (iii) above from the date of judgement until full and final realisation;

(v) Cost; and

(vi) Any other relief as deemed appropriate by this Honorable Court.

The suit is fixed for case management on 23 November 2022. Subsequently, next case management is on 23 December 2022 to file the bundle of documents.

The solicitors are in the opinion that the Plaintiff has a good chance of success against the Defendant.

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

<u>During and subsequent to the financial year</u>

(a) Outbreak of Covid-19

On 11 March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout Malaysia and around the world. The Malaysia Government has imposed the Movement Control Order ("MCO"), followed by Conditional Movement Control Order ("CMCO") and Recovery Movement Control Order ("RMCO") in year 2021. Consequently, the COVID-19 outbreak had resulted in travel restrictions, lockdown and other precautionary measures which has then brought significant economic uncertainties in Malaysia and markets in which the Group and the Company operates. Hence, the Group's and the Company's revenue, earnings, cash flows and financial condition maybe impacted by these economic uncertainties going forward.

In mid-2021, the Government of Malaysia announced the National Recovery Plan ("NRP"), which has since been implemented by the Government progressively in a few phase.

Arising from the COVID-19 pandemic, the Group and the Company have implemented several measures to weather through this current challenging time. The following measures had been taken, with further additional efforts to be taken and will take further measures if necessary:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR (CONTINUED)

<u>During and subsequent to the financial year (Continued)</u>

(a) Outbreak of Covid-19 (Continued)

(i) Impact from Covid-19 Pandemic

As the transition to normalcy and herd immunity from COVID-19 would happen gradually, the Group has considered the outlook of the healthcare industry and is of the view that demand for healthcare related services will continue to grow due to the precautionary measures undertaken by the public and government.

Despite headwinds from uncertain economic environment, the Board and the management will be prudent and cautious in drawing up the Group's business plans for the financial year ending 31 July 2022. Nevertheless, the Board shall closely monitor the Group's operations and take the necessary steps to navigate its post-pandemic recovery to improve the performance of its operations.

(ii) Funding

The Group has taken the following steps to improve its financial performance and strengthen its financial position:

- During the year, the Company has converted 741,687,071 Irredeemable Convertible Preference Share ("ICPS"), which resulted in cash in flow of RM7,416,871 to the Company.

(iii) Working capital management

The Group has taken the following steps to improve its working capital management:

- undertaken more effective cost management measures to control the Group's operational expenses, such as minimising administrative expenses consisting of staff costs through regular review of the Group operational costs structure;

As at the date of this report, the Group and the Company have not been adversely affected by the Covid-19 outbreak. The Group and the Company shall continue to monitor the developments of the Covid-19 situation closely, assess and react actively to its impacts on the financial position and operation results of the Group and Company for the financial year ending 31 July 2023. This includes continuous special attention to be given towards ensuring all standard operating procedures set by the government and complied with to minimise the risks of Covid-19 occurrences.

<u>During the financial year</u>

(b) On 24 May 2022, the Board announced that NEG Auto Group Sdn Bhd ("NEG"), a wholly owned sub-subsidiary of the Group had on 18 May 2022 entered into a China-Malaysia New Energy Vehicle Corporation Agreement ("NEVCA") with Shenzhen Hengsheng Energy Management Co., Ltd. ("HENGSHENG") for the purposes to promote the industrial development of new energy vehicle design and new energy vehicle parts and vehicle manufacturing in Malaysia according to the Malaysian market.

(c) On 24 May 2022, the Board announced that NEG, a wholly owned sub-subsidiary of the Group had on 18 May 2022 entered into a China-Malaysia China-Malaysia EV Charging Pile Cooperation Agreement ("ECPCA") with Shenzhen Hengsheng Energy Management Co., Ltd. ("HENGSHENG") for the purposes on the introduction of Chinese made electric vehicle charging piles into Malaysian Market.

(d) On 24 May 2022, the Board announced that NEG, a wholly owned sub-subsidiary of the Group had on 18 May 2022 entered into a China-Malaysia New Energy Vehicle Agency Agreement ("NEVAA") with Shenzhen Hengsheng Energy Management Co., Ltd. ("HENGSHENG") by granting the agency right of energy vehicles to expand at overseas market.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2022 (CONTINUED)

41. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR (CONTINUED)

During the financial year (Continued)

(e) On 10 March 2022, the Board announced that the Bonus Issue of Warrants has been completed, following the listing of and quotation for 882,847,640 Warrants D on the ACE Market of Bursa Securities.

(f) On 9 March 2022, the Board announced that Associate Partner Laboratories Sdn Bhd ('"APLSB"), a wholly owned sub-subsidiary of the Group had on 8 March 2022 entered into a memorandum of understanding ("MOU") with Persatuan Agensi Pekerjaan Malaysia ("PAPA") for the collaboration whereby APLSB agrees in providing the following services ("Services") to the employment agencies who is a registered member of PAPA:

(i) isolation rooms (quarantine station) including managing the process flow from the airport departure point of the foreign workers up to the quarantine centres in Malaysia;

(ii) monitoring the arriving process of foreign workers at any of the Malaysia airport including providing transportation services from the airport to quarantine centre; and

(iii) managing the process of checking in and checking out from the quarantine centre in Malaysia including handover process to such foreign workers to their respective authorised employer or the Agencies.

Subsequent to the financial year

(g) On 29 September 2022, Medic Asset Group Sdn Bhd ("MAGSB"), a wholly-owned sub-subsidiary of the Group had entered into a conditional share sale agreement ("CSSA") with Croske Hotels Sdn Bhd ("CHSB") and Flyboys Club Sdn Bhd ("FCSB") 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 ("Purchase Price" or "Purchase Consideration") 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 ("Proposed Acquisition").

LIST OF PROPERTIES

The details of properties owed by the Group as at 31 July 2022 are set out below:

Company	Location	Land / Built-up Area	Description / Existing use	Age of Land / Building (years)	Date of Acquisition	Net Book Value as at 31 July 2022 (RM)
Nextnation Datacity Sdn Bhd	HS(D) 28897 PT 42830 Mukim Dengkil Daerah Sepang Negeri Selangor.	5.9 acres	Freehold land held for investment property	10	10/4/2012	38,600,000
Sensorlink Holdings Sdn Bhd	49, Jalan Kuchai Maju 1, Off Jalan Kuchai Lama, 58200 Kuala Lumpur.	4,844sq/ft	Leasehold office unit/ Office	15	5/10/2007	4,500,000
Sensorlink Sdn Bhd	51, Jalan Kuchai Maju 1, Off Jalan Kuchai Lama, 58200 Kuala Lumpur.	4,424sq/ft	Leasehold office unit/ Office	19	4/9/2003	3,528,333
Sensorlink Holdings Sdn Bhd	40, Jalan Serendah 26/41, Sekitar 26, Seksyen 26, Sekitar 26, Seksyen 26, 40400 Shah Alam, Selangor.	1,122 sq/m / Build up area 808 sq/m	Three storey semi-detached industrial unit	9	7/11/2013	7,500,000

ANALYSIS OF SHAREHOLDINGS
AS AT 1 NOVEMBER 2022

ANALYSIS BY SIZE OF HOLDINGS AS AT 01/11/2022

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	495	3.892	22,926	0.000
100 - 1,000	545	4.285	297,816	0.007
1,001 - 10,000	1,974	15.521	13,735,616	0.311
10,001 - 100,000	6,090	47.885	312,986,290	7.090
100,001 - 220,712,546 (*)	3,612	28.401	2,898,820,764	65.670
220,712,547 AND ABOVE (**)	2	0.016	1,188,387,533	26.922
TOTAL :	**12,718**	**100.000**	**4,414,250,945**	**100.000**

REMARK : * - LESS THAN 5% OF ISSUED SHARES
** - 5% AND ABOVE OF ISSUED SHARES

INFORMATION ON DIRECTORS HOLDINGS AS AT 01/11/2022

NO.	NAME	HOLDINGS	%
1.	HJ MAZRU BIN MAT YUSOF	151,337,032	3.428
2.	DATO' YEK SIEW LEE, ROMAN	55,163,900	1.249
3.	DATO' LEW SHIONG LOON, BOB	-	-
4.	FARIDAH BINTI JAAFAR	-	-
5.	LAI HUI YEEN	-	-
SUBTOTAL :		**206,500,932**	**4.677**

INFORMATION ON SUBSTANTIAL HOLDERS' HOLDINGS AS AT 01/11/2022

NO.	NAME	HOLDINGS	%
1.	EMEMY RESOURCES SDN BHD	859,750,039	19.476
2.	OZURA FIRSTLOGIX SDN BHD	328,637,494	7.445
	SUBTOTAL :	**1,188,387,533**	**26.921**

ANALYSIS OF SHAREHOLDINGS
AS AT 1 NOVEMBER 2022
(CONTINUED)

LIST OF TOP 30 HOLDERS AS AT 01/11/2022

NO.	NAME	HOLDINGS	%
1	EMEMY RESOURCES SDN BHD	859,750,039	19.476
2	OZURA FIRSTLOGIX SDN BHD	328,637,494	7.445
3	HJ MAZRU BIN MAT YUSOF	151,337,032	3.428
4	CAPITAL DAY HOLDINGS SDN BHD	80,000,000	1.812
5	NOBLE WESTLINK SDN BHD	70,600,000	1.599
6	ACHIEVER ENERGY PARTNERS SDN BHD	63,333,334	1.434
7	DATO' YEK SIEW LEE, ROMAN	55,163,900	1.249
8	DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR DEUTSCHE BANK AG SINGAPORE (ASING WM CLT)	48,422,500	1.096
9	RAJA HIZAD BIN RAJA KAMARULZAMAN	39,245,000	0.889
10	TEY POR YEE	38,410,400	0.870
11	TEY POR CHEN	32,164,500	0.728
12	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR CHEN FOOK CHING	30,563,900	0.692
13	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR MUHAMAD AZLI BIN LOKMAN	28,747,000	0.651
14	KOW WEI KUN	21,624,000	0.489
15	OOI CHEW WEI	20,129,400	0.456
16	NG HOCK SOON	19,000,000	0.430
17	ADRIAN QUAH	18,708,200	0.423
18	Q HOLDINGS CAPITAL SDN BHD	18,150,000	0.411
19	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FAIZATUL IKMI BINTI ABD RAZAK(E-KPG)	17,839,966	0.404
20	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	17,289,600	0.391
21	LEE BENG SENG	17,200,000	0.389
22	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM LOON YEOW (CCTS)	16,000,000	0.362
23	SEE TIAN CHWAN	15,000,000	0.339

ANALYSIS OF SHAREHOLDINGS
AS AT 1 NOVEMBER 2022
(CONTINUED)

LIST OF TOP 30 HOLDERS AS AT 01/11/2022

NO.	NAME	HOLDINGS	%
24	TIRAM TRAVEL SDN BHD	15,000,000	0.339
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHOON EEK (E-TAI/KKR)	14,510,000	0.328
26	SIM MUI KHEE	14,500,000	0.328
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD HENG CHEE HONG	13,500,000	0.305
28	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR LGT BANK AG (FOREIGN)	13,041,700	0.295
29	KHOO KAH HOCK	11,700,000	0.265
30	KOW JI MANG	11,485,000	0.260

ANALYSIS OF WARRANTHOLDINGS B
AS AT 1 NOVEMBER 2022

ANALYSIS BY SIZE OF HOLDINGS AS AT 01/11/2022

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF WARRANTS	%
1 - 99	189	19.485	9,389	0.006
100 - 1,000	61	6.289	24,187	0.015
1,001 - 10,000	134	13.814	952,155	0.595
10,001 - 100,000	336	34.639	18,606,311	11.629
100,001 - 7,999,986 (*)	248	25.567	120,740,044	75.463
7,999,987 AND ABOVE (**)	2	0.206	19,667,666	12.292
TOTAL :	**970**	**100.000**	**159,999,752**	**100.000**

REMARK :
* - LESS THAN 5% OF ISSUED WARRANTS
** - 5% AND ABOVE OF ISSUED WARRANTS

INFORMATION ON DIRECTORS HOLDINGS AS AT 01/11/2022

NO.	NAME	HOLDINGS	%
1.	HJ MAZRU BIN MAT YUSOF	-	-
2.	DATO' YEK SIEW LEE, ROMAN	-	-
3.	DATO' LEW SHIONG LOON, BOB	-	-
4.	FARIDAH BINTI JAAFAR	-	-
5.	LAI HUI YEEN	-	-
	SUBTOTAL :	**-**	**-**

INFORMATION ON SUBSTANTIAL HOLDERS' HOLDINGS AS AT 01/11/2022

NO.	NAME	HOLDINGS	%
1.	MUHAMMAD FAUZI BIN SAMSURI	10,500,000	6.562
2.	ABDUL HANIFF BIN SULAIMAN	9,167,666	5.729
	SUBTOTAL :	**19,667,666**	**12.291**

ANALYSIS OF WARRANTHOLDINGS B

AS AT 1 NOVEMBER 2022
(CONTINUED)

LIST OF TOP 30 HOLDERS AS AT 01/11/2022

NO.	NAME	HOLDINGS	%
1	MUHAMMAD FAUZI BIN SAMSURI	10,500,000	6.562
2	ABDUL HANIFF BIN SULAIMAN	9,167,666	5.729
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD MOHAMAD ALI BIN HJ DAUD	6,237,700	3.898
4	ZALINDA BINTI SALLEH	5,201,500	3.250
5	SUZILA BINTI KHAIRUDDIN	4,866,666	3.041
6	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH WAI LEONG (E-SS2)	4,320,000	2.700
7	CHAI CHEE FER	2,657,266	1.660
8	MOHD ZUKRI BIN MUSA	2,114,000	1.321
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD MOHD MUZANI BIN MOHAMED NOOR	2,070,300	1.293
10	AINUL HUDA BINTI SAIFUDING	2,000,000	1.250
11	MUHAMAD FAHMI BIN MD YATIM	1,639,300	1.024
12	YAP YEN @ YAP KUI ENG	1,620,300	1.012
13	LEE YEW KEONG	1,500,000	0.937
14	BADRI BIN ABDUL RAHMAN	1,285,000	0.803
15	AZLAN BIN ISHAK	1,266,500	0.791
16	R MOHD NGISOMUDDIN BIN MASDUKI	1,261,600	0.788
17	CHEN KAH WING	1,200,000	0.750
18	LIM SENG HIN	1,200,000	0.750
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD LAU CHUN YAU	1,200,000	0.750
20	ABDUL RAHMAN BIN ABDUL KARIM	1,166,666	0.729
21	CHIM FOONG MAY	1,166,666	0.729
22	KOH SEET TIANG	1,150,000	0.718
23	KOAY KHEK LUI	1,100,966	0.688
24	FOO PHAIK TIN	1,100,000	0.687
25	ANG TIAN FU	1,057,000	0.660
26	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KER CHERK YEE	1,042,900	0.651
27	ZULKIFLEE BIN MOHAMAD	1,014,600	0.634
28	AKMALAINI BINTI AHMAD	1,000,000	0.625
29	CHENG KOK SIONG	1,000,000	0.625
30	LIM SIN LU	1,000,000	0.625

ANALYSIS OF WARRANTHOLDINGS C

AS AT 1 NOVEMBER 2022

ANALYSIS BY SIZE OF HOLDINGS AS AT 01/11/2022

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF WARRANTS	%
1 - 99	58	5.083	2,630	0.001
100 - 1,000	48	4.207	22,360	0.008
1,001 - 10,000	137	12.007	827,579	0.294
10,001 - 100,000	480	42.068	27,510,528	9.766
100,001 - 14,084,216 (*)	418	36.635	253,321,259	89.931
14,084,217 AND ABOVE (**)	-	-	-	-
TOTAL :	**1,141**	**100.000**	**281,684,356**	**100.000**

REMARK :
* - LESS THAN 5% OF ISSUED WARRANTS
** - 5% AND ABOVE OF ISSUED WARRANTS

INFORMATION ON DIRECTORS HOLDINGS AS AT 01/11/2022

NO.	NAME	HOLDINGS	%
1.	HJ MAZRU BIN MAT YUSOF	-	-
2.	DATO’ YEK SIEW LEE, ROMAN	-	-
3.	DATO’ LEW SHIONG LOON, BOB	-	-
4.	FARIDAH BINTI JAAFAR	-	-
5.	LAI HUI YEEN	-	-
	SUBTOTAL :	**-**	**-**

ANALYSIS OF WARRANTHOLDINGS C

AS AT 1 NOVEMBER 2022
(CONTINUED)

LIST OF TOP 30 HOLDERS AS AT 01/11/2022

NO.	NAME	HOLDINGS	%
1	SEE TIAN CHWAN	8,419,800	2.989
2	CHAN CHOON NGAI	7,000,000	2.485
3	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEOW THIAM HOOI (E-KLG)	5,649,900	2.005
4	KOW WEI KUN	4,807,400	1.706
5	LEE KOK GUAN	4,000,000	1.420
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD LEONG KHEN TSHUNG	3,600,000	1.278
7	MOHAMAD RAHIMI BIN RAZALI	3,301,200	1.171
8	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM LOON YEOW (CCTS)	3,300,000	1.171
9	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHEE SING (M)	3,100,000	1.100
10	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG KAI CHON (E-JAH)	3,000,000	1.065
11	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOO MUN YU (M01)	2,807,400	0.996
12	LEE SIM NEE	2,700,000	0.958
13	JANG KONG PING	2,550,000	0.905
14	LEE GOON HUAY	2,500,000	0.887
15	LOW SOH LAY	2,500,000	0.887
16	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUAH SWEE HUAT (E-KLC)	2,500,000	0.887
17	OOI HONG CHIANG	2,360,000	0.837
18	HONG TEEK LEE	2,333,333	0.828
19	AFFIN HWANG INVESTMENT BANK BERHAD IVT (YKL)	2,223,300	0.789
20	THAU WAI GUEAN	2,197,600	0.780
21	KOW JI MANG	2,133,000	0.757
22	HON MEOW CHOON	2,100,000	0.745
23	SAMSULBAHARI BIN MOHD NOOR	2,050,000	0.727
24	MOI TAI @ LOY SHUE HUA	2,000,000	0.710
25	TAN HUNG CHEW	2,000,000	0.710
26	TAN POH SUAN	2,000,000	0.710
27	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR CHEN FOOK CHING	1,943,400	0.689
28	ENG SOK BOI	1,838,000	0.652
29	KAMAL ARIFFIN BIN YAHAYA @ TAHIR	1,753,000	0.622
30	KHOO KIM HONG	1,700,000	0.603

ANALYSIS OF WARRANTHOLDINGS D

AS AT 01 NOVEMBER 2022

ANALYSIS BY SIZE OF HOLDINGS AS AT 01/11/2022

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 - 99	754	6.110	14,778	0.002
100 - 1,000	1,054	8.542	562,187	0.064
1,001 - 10,000	5,015	40.640	26,026,240	2.948
10,001 - 100,000	4,645	37.642	164,027,919	18.579
100,001 - 44,142,381 (*)	870	7.050	474,888,731	53.790
44,142,382 AND ABOVE (**)	2	0.016	217,327,785	24.617
TOTAL :	**12,340**	**100.000**	**882,847,640**	**100.000**

REMARK :
* LESS THAN 5% OF ISSUED WARRANTS
** 5% AND ABOVE OF ISSUED WARRANTS

INFORMATION ON DIRECTORS HOLDINGS AS AT 01/11/2022

NO.	NAME	HOLDINGS	%
1.	HJ MAZRU BIN MAT YUSOF	30,267,406	3.428
2.	DATO' YEK SIEW LEE, ROMAN	11,032,780	1.249
3.	DATO' LEW SHIONG LOON, BOB	-	-
4.	FARIDAH BINTI JAAFAR	-	-
5.	LAI HUI YEEN	-	-
	SUBTOTAL :	**41,300,186**	**4.677**

INFORMATION ON SUBSTANTIAL HOLDERS' HOLDINGS AS AT 01/11/2022

NO.	NAME	HOLDINGS	%
1.	EMEMY RESOURCES SDN BHD	171,950,007	19.476
2.	OZURA FIRSTLOGIX SDN BHD	45,377,778	5.139
	SUBTOTAL :	**217,327,785**	**24.615**

ANALYSIS OF WARRANTHOLDINGS D

AS AT 01 NOVEMBER 2022
(CONTINUED)

LIST OF TOP 30 HOLDERS AS AT 1/11/2022

NO.	NAME	HOLDINGS	%
1	EMEMY RESOURCES SDN BHD	171,950,007	19.476
2	OZURA FIRSTLOGIX SDN BHD	45,377,778	5.139
3	HJ MAZRU BIN MAT YUSOF	30,267,406	3.428
4	CAPITAL DAY HOLDINGS SDN BHD	16,000,000	1.812
5	NOBLE WESTLINK SDN BHD	14,120,000	1.599
6	ACHIEVER ENERGY PARTNERS SDN BHD	12,666,666	1.434
7	DATO' YEK SIEW LEE, ROMAN	11,032,780	1.249
8	DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR DEUTSCHE BANK AG SINGAPORE (ASING WM CLT)	9,684,500	1.096
9	LEE FOOK SANG	8,200,000	0.928
10	RAJA HIZAD BIN RAJA KAMARULZAMAN	7,849,000	0.889
11	TEY POR YEE	7,682,080	0.870
12	ONG KHEAM CHYE	7,365,500	0.834
13	TEY POR CHEN	6,432,900	0.728
14	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR MUHAMAD AZLI BIN LOKMAN	5,749,400	0.651
15	ONG KHEAN LENG	5,391,900	0.610
16	TAN HAN SHENG	5,000,000	0.566
17	KOW WEI KUN	4,324,800	0.489
18	NG HOCK SOON	3,800,000	0.430
19	ONG WEI HSIEN	3,788,800	0.429
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FAIZATUL IKMI BINTI ABD RAZAK(E-KPG)	3,567,993	0.404
21	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	3,457,920	0.391
22	LEE BENG SENG	3,440,000	0.389
23	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM LOON YEOW (CCTS)	3,200,000	0.362
24	TAN TIAN HUI	3,178,900	0.360
25	LIM CHING HONG	3,100,000	0.351
26	SEE TIAN CHWAN	3,000,000	0.339
27	TIRAM TRAVEL SDN BHD	3,000,000	0.339
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHOON EEK (E-TAI/KKR)	2,900,000	0.328
29	SIM MUI KHEE	2,900,000	0.328
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD LAU CHUN YAU	2,824,000	0.319

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting ("18th AGM") of **NEXGRAM HOLDINGS** BERHAD ("the Company") will be held at Banyan Room, Sime Darby Convention Centre (SDCC), 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur on **Thursday, 29 December 2022 at 10.30 a.m.** or any adjournment thereof for the following purposes:-

AGENDA

ORDINARY BUSINESS :

1. To receive the Audited Financial Statements for the financial year ended 31 July 2022 together with the Reports of the Directors and Auditors thereon. ***Please refer to Explanatory Note 1***

2. To approve the Directors' fees and meeting allowances payable to Non-Executive Directors for the period from 30 December 2022 until the conclusion of the next Annual General Meeting. **Resolution 1** ***Please refer to Explanatory Note 2***

3. To re-elect Dato' Yek Siew Lee, Roman who retires in accordance with Clause 97.1 of the Company's Constitution and being eligible, offers himself for re-election. **Resolution 2**

4. To re-elect Dato' Lew Shiong Loon, Bob who retires in accordance with Clause 108 of the Company's Constitution and being eligible, offers himself for re-election. **Resolution 3**

5. To re-elect Lai Hui Yeen who retires in accordance with Clause 108 of the Company's Constitution and being eligible, offers herself for re-election. **Resolution 4**

6. To re-elect Faridah Binti Jaafar who retires in accordance with Clause 108 of the Company's Constitution and being eligible, offers herself for re-election. **Resolution 5**

7. To appoint auditors for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 6**

SPECIAL BUSINESS :

To consider and, if thought fit, to pass with or without modifications, the following resolutions :

8. **ORDINARY RESOLUTION 7**
AUTHORITY FOR DIRECTORS TO ISSUE AND ALLOT SHARES IN THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 **Resolution 7** ***Please refer to Explanatory Note 3***

   "**THAT** pursuant to Sections 75 and 76 of the Companies Act, 2016 and the approvals of the relevant government and/or regulatory authorities, the Directors of the Company be and are hereby authorised to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue.

   AND THAT the Directors of the Company whether solely or jointly, be authorised to complete and do all such acts and things (including executing such relevant documents) as he/they may consider necessary, expedient or in the interest of the Company to give effect to the aforesaid mandate.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING
(CONTINUED)

AND FURTHER THAT pursuant to Section 85 of the Companies Act, 2016 read together with Clause 54 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company and to offer new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act, 2016 **AND THAT** the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company."

ANY OTHER BUSINESS :

9. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

BY ORDER OF THE BOARD

WONG YOUN KIM (MAICSA 7018778)
(SSM Practising Certificate No.: 201908000410)
Company Secretary

Kuala Lumpur
Dated : 30 November 2022

NOTES :

1. *A member of the Company is entitled to attend and vote at the meeting may appoint one (1) or not more than two (2) proxies (or being a corporate member, a corporate representative) to attend and vote in his/her stead. A proxy may but need not be a member of the Company.*

2. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.*

3. *The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.*

4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

5. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the General Meeting at which the person named in the appointment proposes to vote:*

   i. *<u>In hard copy form</u>*
   In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

   ii. *<u>By electronic form</u>*
   *The Proxy Form can be electronically lodged via **TIIH Online** website at https://tiih.online. Kindly refer to the Administrative Guide on the procedure for electronic lodgement of proxy form via TIIH Online.*

6. *Only members whose names appear in the Record of Depositors on 22 December 2022 shall be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.*

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING
(CONTINUED)

EXPLANATORY NOTES :

1. Audited Financial Statements

This item of the Agenda is meant for discussion only. The provisions of Section 340(1) of the Companies Act, 2016 require the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such, this item of the Agenda is not a business which requires a resolution to be put to vote by shareholders.

2. Directors' Remuneration

Section 230(1) of the Companies Act, 2016 provides amongst others that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Board wishes to seek shareholders' approval for the following payments to the Non-Executive Directors of the Company at the Eighteenth Annual General Meeting as stated below.

Ordinary Resolution 1 seeks approval for the Directors' fees and meeting allowances payable to Non-Executive Directors from 30 December 2022 until the conclusion of the next Annual General Meeting of the Company comprising the following, with or without modifications :

		Directors' Fees (Per Director) RM	Meeting Allowance (Per Meeting) RM
Board of Directors	Chairman	5,000.00	200.00
	Non-Executive Directors	3,000.00	200.00
Audit Committee	Chairman	-	200.00
	Member	-	200.00
Nomination Committee	Chairman	-	200.00
	Member	-	200.00
Remuneration Committee	Chairman	-	200.00
	Member	-	200.00

3. Authority to Issue and Allot Shares

The Ordinary Resolution 7 proposed under Item 10 above, if passed, is to give the Directors of the Company flexibility to issue and allot shares up to an amount not exceeding ten per centum (10%) of the Company's total number of issued share capital for the time being upon such terms and conditions and for such purposes and to such person or persons as Directors of the Company in their absolute discretion consider to be in the interest of the Company, without having to convene a separate general meeting so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund-raising exercises including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital and/or acquisitions.

The Board is of the opinion that the issue and allot shares up to an amount not exceeding ten per centum (10%) is in the best interest of the Company.

This authority will expire at the conclusion of the next Annual General Meeting of the Company or at the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

NOTICE OF EIGHTEENTH ANNUAL GENERAL MEETING
(CONTINUED)

EXPLANATORY NOTES : (CONTINUED)

3. Authority to Issue and Allot Shares (Continued)

The general mandate sought for issue of shares is a renewal of the mandate approved by the shareholders at the last Annual General Meeting held on 28 December 2021 which will lapse at the conclusion of this Annual General Meeting to be held on 29 December 2022.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Companies Act, 2016 shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company, the shareholders of the Company hereby agree to waive and are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Companies Act 2016, which will result in a dilution to their shareholding percentage in the Company.

By approving the Ordinary Resolution 9, the shareholders of the Company shall agree to waive and deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016.

nx

Nexgram Holdings Berhad
[200401021550 (660055-H)]

FORM OF PROXY

I/We ______________________________ NRIC No./Company No. ______________
(FULL NAME IN BLOCK LETTERS)
of ____
(FULL ADDRESS)
Telephone No.: ____________________ Email Address: ____________________

being a member/members of NEXGRAM HOLDINGS BERHAD, hereby appoint ______________________
(FULL NAME IN BLOCK LETTERS)
NRIC No. ______________ of ______________________________
(FULL ADDRESS)
Telephone No.: ____________________ Email Address: ____________________

or failing him ______________________________ NRIC No. ______________
(FULL NAME IN BLOCK LETTERS)
of ____
(FULL ADDRESS)

Telephone No.: ____________________ Email Address: ____________________

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the Eighteenth Annual General Meeting of the Company to be held at Banyan Room, Sime Darby Convention Centre (SDCC), 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur on Thursday, 29 December 2022 at 10.30 a.m. and at any adjournment thereof in the manner indicated below :

AS ORDINARY BUSINESS			
		FOR	**AGAINST**
Ordinary Resolution 1	To approve the Directors' fees and meeting allowances payable to Non-Executive Directors for the period from 30 December 2022 until the conclusion of the next Annual General Meeting.		
Ordinary Resolution 2	To re-elect Dato' Yek Siew Lee, Roman who retires in accordance with Clause 97.1 of the Company's Constitution and being eligible, offers himself for re-election		
Ordinary Resolution 3	To re-elect Dato' Lew Shiong Loon, Bob who retires in accordance with Clause 108 of the Company's Constitution and being eligible, offers himself for re-election.		
Ordinary Resolution 4	To re-elect Lai Hui Yeen who retires in accordance with Clause 108 of the Company's Constitution and being eligible, offers herself for re-election.		
Ordinary Resolution 5	To re-elect Faridah Binti Jaafar who retires in accordance with Clause 108 of the Company's Constitution and being eligible, offers herself for re-election.		
Ordinary Resolution 6	To appoint auditors for the ensuing year and to authorise the Directors to fix their remuneration.		
AS SPECIAL BUSINESS			
Ordinary Resolution 7	Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016.		

First Proxy	%
Second Proxy	%
Total:	100%

No. of shares held :	
CDS A/C No.:	

Signed this ______ day of ___________, 2022

____
Signature

NOTE :
1. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 22 December 2022 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 18th AGM.
2. Any member of the Company entitled to attend and vote is entitled to appoint one (1) or not more than two (2) proxies to attend and vote instead of him, and that a proxy need not be a member of the Company and where a member appoints more than one (1) proxy, the member must specify the proportion of his shareholdings to be represented by each proxy respectively, failing which the appointment shall be invalid.
3. If you wish to appoint as your proxy any person other than "the Chairman of the Meeting", please insert the full name of the proxy (in block letters) in the space provided and delete the words "the Chairman of the Meeting".
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
5. A corporation may complete the proxy form under its common seal or under the hand of an officer or attorney duly authorised.
6. Please indicate with and "X" either "For" or "Against". If neither "For" or "Against" is indicated, the proxy will vote as he thinks fit or abstain from voting.
7. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than twenty-four (24) hours before the time appointed for holding the General Meeting at which the person named in the appointment proposes to vote:
   i. In hard copy form
      In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
   ii. By electronic form
      The Proxy Form can be electronically lodged via **TIIH Online** website at https://tiih.online. Kindly refer to the Administrative Guide on the procedure for electronic lodgement of proxy form via TIIH Online.

PERSONAL DATA PRIVACY :

By submitting an instrument appointing a proxy(ies) and / or representative(s) to attend, speak and vote at the Company's AGM and/or any adjournment thereof, a member of the Company-

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes").

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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AFFIX STAMP

THE SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
[197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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NEXGRAM HOLDINGS BERHAD
(200401021550 (660055-H))

CORPORATE OFFICE

Nexgram Holdings Berhad
(200401021550 (660055-H))
B02-A-16, Menara 3, KL Eco City, No. 3, Jalan Bangsar
59200 Kuala Lumpur, Wilayah Persekutuan
T: +603 2202 3767 F: 03 2282 5022

SUBSIDIARIES OFFICES

Sensorlink Holdings Sdn Bhd
(200501024218 (706350-D))
51, Jalan Kuchai Maju 1, Off Jalan Kuchai Lama
58200 Kuala Lumpur, Wilayah Persekutuan
T: +603 7983 7270 F: +603 7983 9330

Transeaways Shipping Sdn Bhd
(199801012166 (468294-H))
A-155, 2nd Floor, Jalan Air Putih
25300 Kuantan, Pahang Darul Makmur
T: +609 566 0811 F: +609 566 0816

Associate Partners Laboratories Sdn Bhd
(202001038291 (1394612-M))
B02-A-16, Menara 3, KL Eco City, No. 3, Jalan Bangsar
59200 Kuala Lumpur, Wilayah Persekutuan
T: +603 2202 3767 F: 03 2282 5022

www.nexgram.co