

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD QUARTER	PRECEDING YEAR QUARTER	CURRENT PERIOD TO DATE	PRECEDING YEAR TO DATE*
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
REVENUE	1,184	3,066	2,425	3,203
COST OF SALES	(1,150)	(3,062)	(2,355)	(3,291)
GROSS PROFIT / (LOSS)	34	4	70	(88)
OTHER INCOME	24	3	50	4
ADMINISTRATION EXPENSES	(197)	(224)	(367)	(461)
OTHER OPERATING EXPENSES	(124)	(329)	(287)	(403)
LOSS FROM OPERATIONS	(263)	(546)	(534)	(948)
FINANCE COST	(47)	(49)	(95)	(124)
LOSS BEFORE TAX	(310)	(595)	(629)	(1,072)
INCOME TAX EXPENSES	-	-	-	-
NET LOSS FOR THE PERIOD	(310)	(595)	(629)	(1,072)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(310)	(595)	(629)	(1,072)
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	(310)	(595)	(629)	(1,072)
NON-CONTROLLING INTEREST	-	-	-	-
	(310)	(595)	(629)	(1,072)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	(310)	(595)	(629)	(1,072)
NON-CONTROLLING INTEREST	-	-	-	-
	(310)	(595)	(629)	(1,072)
EARNING PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT :				
Basic (sen)	(0.05)	(0.10)	(0.10)	(0.18)

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial period ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

*The Group has changed its financial year end from 31 December to 30 June. Comparatives for cumulative quarter consist of 6 months results beginning 1 July 2013 to 31 December 2013.

NETX HOLDINGS BERHAD (533441-W)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	AS AT 31 December 2014 Unaudited RM'000	AS AT 30 June 2014 Audited RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	5,521	5,581
DEFERRED TAX ASSET	3,159	3,159
GOODWILL ON CONSOLIDATION	19,849	19,849
	<u>28,529</u>	<u>28,589</u>
CURRENT ASSETS		
Inventories	1,342	1,342
Trade Receivables	1,184	1,236
Other Receivables, Deposits and Prepayment	834	246
Cash and Bank Balances	2,252	3,357
	<u>5,612</u>	<u>6,181</u>
TOTAL ASSETS	<u><u>34,141</u></u>	<u><u>34,770</u></u>
EQUITIES AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	62,555	62,555
SHARE PREMIUM	2,599	2,599
OTHER RESERVES	-	-
ACCUMULATED LOSSES	(35,287)	(34,658)
	<u>29,867</u>	<u>30,496</u>
NON-CONTROLLING INTEREST	25	25
TOTAL EQUITY	<u><u>29,892</u></u>	<u><u>30,521</u></u>
NON-CURRENT LIABILITIES		
Long Term Borrowing	3,254	3,392
	<u>3,254</u>	<u>3,392</u>
CURRENT LIABILITIES		
Trade Payables	421	421
Other Payables and Accruals	302	160
Short Term Borrowing	272	264
Tax liabilities	-	12
	<u>995</u>	<u>857</u>
TOTAL LIABILITIES	<u>4,249</u>	<u>4,249</u>
TOTAL EQUITIES AND LIABILITIES	<u><u>34,141</u></u>	<u><u>34,770</u></u>
No of ordinary shares ('000)	625,553	625,553
Net Assets per share attributable to owners of the parent (RM)	0.05	0.05

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial period ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014

	ATTRIBUTABLE TO OWNER OF THE PARENT					NON-CONTROLLING INTEREST	TOTAL EQUITY
	SHARE CAPITAL	DISTRIBUTABLE SHARE RESERVE - PREMIUM	DISTRIBUTABLE RESERVE - OTHERS	DISTRIBUTABLE RESERVE - ACCUMULATED LOSSES	TOTAL		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months period ended 31 December 2014							
Balance as at 1 July 2014	62,555	2,599	-	(34,658)	30,496	25	30,521
Net loss for the financial period representing total recognised income and expenses for the period	-	-	-	(629)	(629)	-	(629)
Balance as at 31 December 2014	62,555	2,599	-	(35,287)	29,867	25	29,892
18 months period ended 30 June 2014							
Balance as at 1 January 2013	56,875	2,686	(391)	(28,787)	30,383	28	30,411
Disposal of subsidiary	-	-	391	-	391	-	391
Expenses for private placement	-	(87)	-	-	(87)	-	(87)
Issuance of shares	5,680	-	-	-	5,680	-	5,680
Net loss for the financial year representing total recognised income and expenses for the period	-	-	-	(5,871)	(5,871)	(3)	(5,874)
Balance as at 30 June 2014	62,555	2,599	-	(34,658)	30,496	25	30,521

The unaudited Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial period ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

NETX HOLDINGS BERHAD (533441-W)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014

	CURRENT PERIOD TO DATE 31/12/2014 RM'000	PRECEDING YEAR TO DATE* 31/12/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	(629)	(1,072)
Loss before taxation	(629)	(1,072)
Adjustment for:		
Depreciation of property, plant and equipment	62	78
Property, plant and equipment written off	1	-
Loss on disposal of property, plant and equipment	-	7
Interest expense	95	124
Interest income	(23)	(11)
Operating loss before working capital changes	(494)	(874)
Increase in current assets	(536)	(1,836)
Increase in current liabilities	141	2,271
Cash Used in Operations	(889)	(439)
Tax Paid	(12)	(3)
Interest paid	(95)	(124)
Interest received	23	11
Net Cash Used in Operating Activities	(973)	(555)
CASH FLOWS FROM INVESTING ACTIVITIES		6
Proceeds from disposal of property, plant and equipment	-	-
Purchase of property, plant and equipment	(2)	6
Net Cash (Used in) / Generated from Investing Activities	(2)	6
CASH FLOW FROM FINANCING ACTIVITIES		5,680
Proceed from issuance of shares	-	(121)
Repayment of bank borrowings	(130)	45
Decrease in fixed deposits pledged	-	5,604
Net Cash (Used in) / Generated from Financing Activities	(130)	5,604
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,105)	5,055
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	3,357	64
CASH AND CASH EQUIVALENTS CARRIED FORWARD	2,252	5,119
Cash and cash equivalents at end of period consist of :-		
Cash and bank balances	2,252	5,119

The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial period ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

*The Group has changed its financial year end from 31 December to 30 June. Comparatives for cumulative quarter consist of 6 months results beginning 1 July 2013 to 31 December 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014

A. EXPLANATORY NOTES

A 1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The report should be read in conjunction with the audited financial statements of the Group for the 18-month period ended 30 June 2014. The explanatory notes attached to the quarterly financial report provide an explanation on events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial period ended 30 June 2014.

The accounting policies and methods of computation adopted by the Group in the quarterly financial report are consistent with those adopted in the audited financial statements of the Group for the financial period ended 30 June 2014, except for in the current period ended 31 December 2014, the Group adopted the Malaysian Financial Reporting Standards Framework ("MFRS Framework") relevant to the Group as explained below:

Effective for financial periods beginning on or after 1st July 2014:

MFRS 9 (2009 and 2010) : Financial Instruments

Amendments to MFRS 9 : Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)

Amendments to MFRS 9 : Mandatory Effective Date of MFRS 9 and Transition Disclosures and MFRS 7

Amendments to MFRS 10, : Investment Entities
MFRS 12 & MFRS 127

Amendments to MFRS 11 : Accounting for Acquisition of Interests in Joint Operations

MFRS 14 : Regulatory Deferral Accounts

MFRS 15 : Revenue from Contracts with Customers

Amendments to MFRS 116: Clarification of Acceptable Methods of Depreciation and Amortisation and MFRS 138

Amendments to MFRS 116: Agriculture - Bearer Plants and MFRS 141

Amendments to MFRS 119: Defined Benefit Plans - Employee Contributions

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 Levies

Annual Improvements to MFRSs 2010-2012 Cycle

Annual Improvements to MFRSs 2011-2013 Cycle

Paragraph 20 of MFRS 134 requires the comparative statements to be presented from the comparable interim period (current and period -to-date) of immediate preceding financial year. Save for the statement of financial position and statements of change in equity, the comparatives disclosed in these condensed financial statements are for the 6-month period from 1 July 2013 to 31 December 2013, not from the beginning of the preceding financial period of 1 January 2013, as the Group change its financial year from 31 December to 30 June on 10 December 2013.

The adoption of the MFRSs does not have any significant impact on the interim financial statements of the Group and the Company.

A 2 SEASONAL OR CYCLICAL FACTORS

The business of the Company/Group is not subject to any seasonal or cyclical factors.

A 3 NATURE AND AMOUNT OF EXCEPTIONAL AND/OR EXTRAORDINARY ITEMS

There were no exceptional and/or extraordinary items as at the date of this announcement.

A 4 CHANGES IN ESTIMATES

There were no material changes in estimates in respect of amount reported in prior financial period, which have a material effect in the quarter under review.

A 5 ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES, SHARE BUYBACKS, SHARE CANCELLATIONS AND

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellation, shares held as treasury shares or resale of treasury shares for the current financial period ended 31 December 2014.

A 6 DIVIDENDS PAID

No dividends were paid during the quarter under review.

A 7 SEGMENTAL INFORMATION

A segmental report is not prepared as the company is only involved in network infrastructure business.

A 8 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no changes in the valuation of property, plant and equipment reported in the previous audited financial statements that will have an impact on the quarter under review.

A 9 SIGNIFICANT EVENTS DURING THE CURRENT QUARTER

On behalf of the Board of Directors of NETX Holdings Berhad ("the Company"), TA Securities Holdings Berhad ("TA Securities") had on 28 October 2014 announced that the Company proposed to undertake the following:

(i) Proposed renounceable rights issue of up to 625,553,033 new ordinary shares of RM0.10 each in NETX ("NETX Shares" or "Shares") ("Rights Shares") on the basis of one (1) Rights Share for every one (1) existing NETX Share held, together with up to 625,553,033 free detachable warrants ("Warrants") on the basis of one (1) Warrant for every one (1) Rights Share subscribed at an entitlement date to be determined later ("Proposed Rights Issue of Shares with Warrants");

(ii) Proposed acquisition of 51% equity interest in Springworks Sdn Bhd ("Springworks") comprising 51,000 ordinary shares of RM1.00 each in Springworks, for a purchase consideration of RM16,000,000 to be satisfied via the issuance of 160,000,000 NETX Shares at an issue price RM0.10 per Share ("Proposed Acquisition");

(iii) Proposed establishment of a share issuance scheme of up to thirty percent (30%) of the Company's issued and paid-up share capital (excluding treasury shares, if any) at any one time during the duration of the scheme ("Proposed SIS"), for the Directors and employees of NETX and its subsidiaries ("NETX Group" or "Group") (excluding dormant subsidiaries) who fulfil the eligibility criteria as set out in the announcement; and

(iv) Proposed increase in the authorised share capital of NETX from RM70,000,000 comprising 700,000,000 NETX Shares to RM300,000,000 comprising 3,000,000,000 NETX Shares ("Proposed Increase in Authorised Share Capital").

On 24 December 2014, the Company announces that the following amendment to the terms set out in the announcement made on 28 October 2014:

a) Section 2.1.5

The expiry date of the Warrants shall be the day immediately preceding the third (3rd) (instead of the fifth (5th)) anniversary date of the issuance of the Warrants.

b) Section 2.3

The Eligible Persons shall comprise only the employees of the NETX Group (excluding dormant subsidiaries). The Directors of the NETX Group do not qualify for participation in the Proposed SIS.

Pursuant thereto, all references to "Director(s)", "chief executive(s)" and "non-executive Director(s)" in relation to the Proposed SIS shall be deleted in its entirety.

c) Section 7

The Proposed Rights Issue of Shares with Warrants, Proposed Acquisition and Proposed SIS shall be conditional (instead of inter-conditional) upon the Proposed Increase in Authorised Share Capital but not vice versa.

On 26 December 2014, on behalf of the Board, TA announces that an application has been submitted to Bursa Securities on the same date for the following:

- i) listing of and quotation for the Rights Shares to be issued pursuant to the Proposed Rights Issue of Shares with Warrants;
- ii) admission to the Official List and the listing of and quotation for the Warrants;
- iii) listing of and quotation for the new NETX Shares to be issued pursuant to the exercise of the Warrants;
- iv) listing of and quotation for the Consideration Shares to be issued pursuant to the Proposed Acquisition; and
- v) listing of and quotation for the new NETX Shares to be issued pursuant to the exercise of the SIS Options.

A 10 CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter under review.

A 11 CONTINGENT LIABILITIES

There were no contingent liabilities as at the date of this report.

A 12 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM REPORTING PERIOD

There were no material events subsequent to the end of the interim reporting period.

A 13 CAPITAL COMMITMENTS

There were no material capital commitments incurred or known to be incurred by the Group, which may have a substantial impact on the financial position of the Group.

A 14 RELATED PARTY TRANSACTIONS

There were no significant transactions with related parties during the current quarter and financial period.

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B 1 REVIEW OF PERFORMANCE OF COMPANY/GROUP

The Group's revenue decreased by approximately 4.6% or RM 0.057 million from RM1.241 million in the previous quarter to RM1.184 million for the quarter under review. The Group recorded a loss after taxation ("LAT") for the current quarter of RM0.310 million compared to LAT of RM0.319 million in the previous quarter which represent a decrease of 2.8% or RM 0.009 million. The decrease in revenue was mainly due to lesser order placed by end customers as compared to previous quarter. The decrease in LAT in current quarter compared to previous quarter were mainly due to reduction in other operating expenses in the financial period under review.

For the financial period to-date, the Group recorded revenue and loss after taxation of RM2.425 million and RM0.629 million as compared to RM3.203 million revenue and loss after taxation of RM1.072 million for the preceding 6 month period ended 31 December 2013. This represents a decrease of approximately 24.3% or RM0.778 million in revenue and an decrease of approximately 41.3% or RM 0.443 million in loss after taxation ("LAT") respectively. The decrease in revenue was mainly due to lesser order placed by end customer as compared to preceding 6 month period ended 31 December 2013 while decrease in loss after taxation were mainly due to the followings:

- i) there were reductions in administrative and financial expenses of RM 0.094 million and RM 0.029 million respectively in the current financial period.
- ii) there was no advisory fee incurred in the current financial period as compared to same period in the preceding period in respect of Private Placement amounted to RM 0.078 million.
- iii) there was an increase in gross profit of RM 0.158 million due to no sale of slow moving stock at discount in the current financial period.
- iv) there was an increase in rental income and interest income of RM 0.027 million and RM 0.019 million respectively in the current financial period.

B 2 COMPARISON WITH THE PRECEDING QUARTER'S RESULT

The Group's revenue decreased by approximately 4.6% or RM 0.057 million from RM1.241 million in the previous quarter to RM1.184 million for the quarter under review. The Group recorded a loss after taxation ("LAT") for the current quarter of RM0.310 million compared to LAT of RM0.319 million in the previous quarter which represent a decrease of 2.8% or RM 0.009 million. The decrease in revenue was mainly due to lesser order placed by end customers as compared to previous quarter. The decrease in LAT in current quarter compared to previous quarter were mainly due to reduction in other operating expenses in the financial period under review.

	Current Quarter	Preceding Quarter	Difference	
	Ended 31.12.2014 (Unaudited) RM'000	Ended 30.09.2014 (Unaudited) RM'000	RM'000	%
Revenue	1,184	1,241	(57)	(4.6)
Loss before tax	(310)	(319)	9	(2.8)
LAT	(310)	(319)	9	(2.8)

B 3 CURRENT YEAR PROSPECTS

The directors and management of the Group will pursue to create more business ventures, upgrade technical skills to overcome the unstable market condition in order to propel future growth and achieve a solid revenue base for the Group.

The directors anticipate that the Group will deliver a reasonable performance despite the challenging economic condition for the financial year ending 30 June 2015.

B4 LOSS BEFORE TAX

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Quarter Ended	Preceding Year* Corresponding Quarter Ended
	31/12/2014 RM'000	31/12/2013 RM'000	31/12/2014 RM'000	31/12/2013 RM'000
Loss before tax is stated after charging/(crediting) :-				
Depreciation of P.P.E.	31	39	62	78
Loss on disposal of P.P.E	-	-	-	7
Property, plant and equipment written off	1	-	-	-
Equipment rental	4	3	7	13
Interest expense	48	49	95	124
Interest income	(11)	(3)	(23)	(11)
Rental income	(13)	-	(27)	-

*The Group has changed its financial year end from 31 December to 30 June. Comparatives for cumulative quarter consist of 6 months results beginning 1 July 2013 to 31 December 2013.

B 5 PROFIT FORECAST / PROFIT GUARANTEE

The Group did not issue any profit forecast/profit guarantee for the financial period to-date.

B 6 TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31/12/2014 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2013 RM'000	Current Quarter Ended 31/12/2014 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2013 RM'000
Current period				
- Income taxation	-	-	-	-
- Deferred taxation	-	-	-	-
Total	-	-	-	-

B 7 DISCLOSURE OF REALISED AND UNREALISED PROFIT/(LOSSES)

	As at 31.12.2014 Unaudited RM'000	As at 30.06.2014 Audited RM'000
Total accumulated losses of the Company and its subsidiaries :-		
- Realised	(38,446)	(37,817)
- Unrealised	3,159	3,159
Total group accumulated losses as per consolidated accounts	(35,287)	(34,658)

B 8 A) STATUS OF CORPORATE PROPOSALS

The corporate proposals announced as disclosed in Note A9 have not been completed as at the date of issue of these financial statements.

B) STATUS OF UTILISATION OF PROCEEDS RAISED FROM PRIVATE PLACEMENT

Following the completion of private placement exercise on 18 November 2013, the following are the status of utilisation of the proceeds in the quarter

<u>Purpose</u>	<u>Proposed Utilisation</u>	<u>Actual Utilisation</u>	<u>Balance</u>	<u>Intended Timeframe for Utilisation</u>
	RM'000	RM'000	RM'000	
-Working capital	3,380	2,636	744	Within 24 months
-Future projects funding	2,200	1,200	1,000	Within 24 months
-Estimated expenses in relation to proposed private placement	100	100	-	Within 1 month
	<u>5,680</u>	<u>3,936</u>	<u>1,744</u>	

The Board has on 11 February 2015 approved the utilisation of the proceeds derived from Private Placement to be extended to another 12 months period

B 9 GROUP BORROWINGS AND DEBT SECURITIES

	As at 31.12.2014 Unaudited RM'000	As at 30.06.2014 Audited RM'000
Short term borrowing		
Secured	<u>272</u>	<u>264</u>
Long term borrowing		
Secured	<u>3,254</u>	<u>3,392</u>

B 10 MATERIAL LITIGATION

There was no material litigation during the current quarter under review.

B 11 DIVIDEND PAYABLE

No dividend was declared or paid in the current quarter under review.

B 12 EARNINGS PER SHARE

Earnings per share was calculated based on net profit for the period and the weighted average number of shares in issue during the financial period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT PERIOD QUARTER 31/12/14	PRECEDING YEAR QUARTER 31/12/13	CURRENT PERIOD TO DATE 31/12/14	PRECEDING YEAR TO DATE* 31/12/13
Net loss attributable to owners of the parent (RM)	<u>(310,000)</u>	<u>(595,000)</u>	<u>(629,000)</u>	<u>(1,072,000)</u>
Weighted average number of ordinary shares	<u>625,553,033</u>	<u>595,300,859</u>	<u>625,553,033</u>	<u>603,611,115</u>
Basic loss per share (sen)	<u>(0.05)</u>	<u>(0.10)</u>	<u>(0.10)</u>	<u>(0.18)</u>
Weighted average number of ordinary shares	625,553,033	595,300,859	625,553,033	603,611,115
Effect of dilution	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable	<u>625,553,033</u>	<u>595,300,859</u>	<u>625,553,033</u>	<u>603,611,115</u>
Diluted loss per share (sen)	<u>(0.05)</u>	<u>(0.10)</u>	<u>(0.10)</u>	<u>(0.18)</u>

*The Group has changed its financial year end from 31 December to 30 June. Comparatives for cumulative quarter consist of 6 months results beginning 1 July 2013 to 31 December 2013.

B 13 AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The preceding period's audited financial statements of the Group were not subject to any qualification.

B 14 AUTHORISATION FOR ISSUE

The interim financial statements are authorised for issue by the Board of Directors in accordance with a resolution of the directors on 11 February 2015.