

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	31/03/2019 RM'000	31/03/2018 RM'000	31/03/2019 RM'000	31/03/2018 RM'000
REVENUE	422	3,703	9,460	14,084
COST OF SALES	(845)	(2,889)	(8,280)	(6,283)
GROSS PROFIT / (LOSS)	(423)	814	1,180	7,801
OTHER INCOME	42	202	343	563
ADMINISTRATION EXPENSES	(2,801)	(4,958)	(10,344)	(8,024)
OTHER OPERATING EXPENSES	(297)	(2,754)	(2,113)	(7,753)
PROFIT / (LOSS) FROM OPERATIONS	(3,479)	(6,696)	(10,934)	(7,413)
FINANCE COST	(35)	(40)	(110)	(123)
PROFIT / (LOSS) BEFORE TAX	(3,514)	(6,736)	(11,044)	(7,536)
INCOME TAX EXPENSES	-	(2)	(5)	(167)
NET PROFIT / (LOSS) FOR THE PERIOD	(3,514)	(6,738)	(11,049)	(7,703)
OTHER COMPREHENSIVE INCOME	186	1,532	310	(351)
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD	(3,328)	(5,206)	(10,739)	(8,054)
NET PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE COMPANY	(3,265)	(6,040)	(10,715)	(6,852)
NON-CONTROLLING INTEREST	(249)	(698)	(334)	(851)
	(3,514)	(6,738)	(11,049)	(7,703)
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	(3,083)	(4,684)	(10,400)	(7,215)
NON-CONTROLLING INTEREST	(245)	(522)	(339)	(839)
	(3,328)	(5,206)	(10,739)	(8,054)
EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY :				
Basic (sen)	(0.12)	(0.29)	(0.39)	(0.39)

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

**NETX HOLDINGS BERHAD (533441-W)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 MARCH 2019**

	AS AT 31 March 2019 Unaudited RM'000	AS AT 30 June 2018 Audited RM'000
<b><u>ASSETS</u></b>		
<b><u>NON-CURRENT ASSETS</u></b>		
Property, Plant and Equipment	6,884	6,402
Intangible Assets	12,969	11,671
Other Investments	303	300
Marketable Securities	2,565	3,846
	<u>22,721</u>	<u>22,219</u>
<b><u>CURRENT ASSETS</u></b>		
Inventories	62	42
Trade Receivables	20,610	18,074
Other Receivables, Deposits and Prepayment	11,031	10,231
Amount Owing by contract customers	-	1,967
Fixed Deposits placed with Licensed Bank	-	4,672
Short Term Investment	-	1,005
Cash and Bank Balances	35,382	37,754
	<u>67,085</u>	<u>73,745</u>
<b>TOTAL ASSETS</b>	<u><u>89,806</u></u>	<u><u>95,964</u></u>
<b><u>EQUITIES AND LIABILITIES</u></b>		
<b><u>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</u></b>		
Share Capital	90,489	87,035
Warrant Reserve	15,263	15,263
Share Option Reserve	-	-
Foreign Exchange Reserve	172	(141)
Retained Profits	(19,433)	(8,718)
	<u>86,491</u>	<u>93,439</u>
Non-Controlling Interest	(1,672)	(1,333)
<b>TOTAL EQUITY</b>	<u><u>84,819</u></u>	<u><u>92,106</u></u>
<b><u>NON-CURRENT LIABILITIES</u></b>		
Long Term Borrowing (Mortgage)	2,006	2,249
	<u>2,006</u>	<u>2,249</u>
<b><u>CURRENT LIABILITIES</u></b>		
Trade Payables	1,579	430
Other Payables and Accruals	977	345
Deferred Income	81	505
Short Term Borrowing (Mortgage)	339	324
Tax liabilities	5	5
	<u>2,981</u>	<u>1,609</u>
<b>TOTAL LIABILITIES</b>	<u>4,987</u>	<u>3,858</u>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<u><u>89,806</u></u>	<u><u>95,964</u></u>
Net Assets per share attributable to owners of the Company (RM)	0.03	0.03

*The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR YEAR TO DATE ENDED 31 MARCH 2019

	← ATTRIBUTABLE TO OWNER OF THE PARENT →							
	← NON - DISTRIBUTABLE →		← DISTRIBUTABLE →					
	SHARE CAPITAL RM'000	SHARE OPTION RESERVE RM'000	WARRANT RESERVE RM'000	FOREIGN EXCHANGE RESERVE RM'000	ACCUMULATED LOSSES RM'000	TOTAL RM'000	NON CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
<b>Balance as at 1 July 2018</b>	87,035	-	15,263	(141)	(8,718)	93,439	(1,333)	92,106
Total Comprehensive income for the financial period	-	-	-	314	(10,715)	(10,401)	(339)	(10,740)
Transactions with owners:								
Share Issuance	-	-	-	-	-	-	-	-
Share options granted under SIS	-	837	-	-	-	837	-	837
Issuance of shares under SIS	3,454	(837)	-	-	-	2,616	-	2,616
Share issuance expenses	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>90,489</b>	<b>-</b>	<b>15,263</b>	<b>173</b>	<b>(19,433)</b>	<b>86,491</b>	<b>(1,672)</b>	<b>84,819</b>
<b>Balance as at 1 July 2017</b>	<b>26,844</b>	<b>-</b>	<b>15,263</b>	<b>(12)</b>	<b>1,548</b>	<b>43,643</b>	<b>(128)</b>	<b>43,515</b>
Net profit for the financial year representing total comprehensive income for the period	-	-	-	(363)	(6,852)	(7,215)	(839)	(8,054)
Transactions with owners:								
Share issuance during the year	-	-	-	-	-	-	-	-
Share options granted under SIS	-	4,266	-	-	-	4,266	-	4,266
Issuance of shares under SIS	54,540	(4,266)	-	-	-	50,274	-	50,274
Share issuance expenses	-	-	-	-	-	-	-	-
Effect from adoption of Company Act 2016	-	-	-	-	-	-	-	-
Change of stake in subsidiary	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>81,384</b>	<b>-</b>	<b>15,263</b>	<b>(375)</b>	<b>(5,304)</b>	<b>90,968</b>	<b>(967)</b>	<b>90,001</b>

The unaudited Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 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 YEAR TO DATE ENDED 31 MARCH 2019**

	CURRENT YEAR TO DATE 31/3/2019 RM'000	PRECEDING YEAR TO DATE 31/3/2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	(11,044)	(7,536)
Adjustment for:		
Depreciation of property, plant and equipment	312	201
Amortisation of intangible assets	2,451	1,428
Amortisation of deferred income	(476)	(746)
Impairment loss of receivable	-	43
Share-based payment expenses accrued	837	4,266
Property, plant and equipment written off	10	19
(Gain)/Loss on disposal of investment	-	(882)
Loss on fair value revaluation on investment	1,266	4,306
Unrealised foreign exchange (gain)/loss	(46)	3,233
Interest expense	110	123
Interest income	(190)	(303)
<b>Operating (loss)/profit before working capital changes</b>	<b>(6,770)</b>	<b>4,152</b>
Decrease / (Increase) in current assets	(1,641)	(101)
Increase / (Decrease) in current liabilities	1,781	137
Advance receipts for deferred income	271	-
<b>Cash Used in Operations</b>	<b>(6,359)</b>	<b>4,188</b>
Tax Refund / (Paid)	(5)	5
Interest received	190	(9)
Interest paid	(110)	(123)
<b>Net Cash Used in Operations</b>	<b>(6,284)</b>	<b>4,061</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(824)	(570)
Acquisition of intangible assets	(3,625)	(11,406)
Investment on quoted shares	-	(7,215)
Other Investment	-	(287)
<b>Net Cash From/(Used in) Investing Activities</b>	<b>(4,449)</b>	<b>(19,478)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from issuance of shares	2,617	50,274
Withdraw/(Placement) of deposits with licensed bank	4,672	1,161
Withdraw/(Placement) of short-term investment	1,005	(18,376)
Repayment of term loans	(229)	(216)
<b>Net Cash Used in Financing Activities</b>	<b>8,065</b>	<b>32,843</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,668)</b>	<b>17,426</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>37,754</b>	<b>5,087</b>
<b>EFFECT ON FOREIGN CURRENCY TRANSLATION</b>	<b>296</b>	<b>(691)</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>35,382</b>	<b>21,822</b>
Cash and cash equivalents at end of year consist of :-		
Cash and bank balances	35,382	21,822
Short Term Investment	-	19,204
Fixed deposit with licensed bank	-	3,112
	35,382	44,138
Less: Short term investment	-	(19,204)
Less: Deposits placed with licensed bank	-	(3,112)
	35,382	21,822

*The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.*

**NETX HOLDINGS BERHAD (533441-W)**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR CURRENT QUARTER AND YEAR TO DATE ENDED 31 MARCH 2019**

**A. EXPLANATORY NOTES**

**A1 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 year ended 30 June 2018. 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 year ended 30 June 2018.

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 year ended 30 June 2018 except for the adoption of the following MFRS and Amendments to MFRS. The adoption of these MFRSs does not have any significant impact on the interim financial statements of the Group and the Company.

<b><u>MFRS and IC Interpretations (Including the Consequential Amendments)</u></b>		<b><u>Effective Date</u></b>
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Annual Improvements to MFRSs 2014 - 2016 Cycle		1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consolidation	1 January 2018

The following MFRS and Amendments to MFRS have been issued by MASB but are not yet effective to the Group:

<b><u>MFRS and IC Interpretations (Including the Consequential Amendments)</u></b>		<b><u>Effective Date</u></b>
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Annual Improvements to MFRSs 2015 - 2017 Cycle		1 January 2019
Amendments to MFRS 2	Share-Based Payment	1 January 2020
Amendments to MFRS 3	Business Combinations	1 January 2020
Amendment to MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendment to MFRS 14	Regulatory Deferral Accounts	1 January 2020
Amendment to MFRS 101	Presentation of Financial Reporting	1 January 2020
Amendment to MFRS 108	Accounting Policies, Change in Accounting Estimates and Errors	1 January 2020
Amendment to MFRS 134	Interim Financial Reporting	1 January 2020
Amendment to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendment to MFRS 138	Intangible Assets	1 January 2020
Amendment to IC Interpretation 12	Services Concession Arrangements	1 January 2020
Amendment to IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendment to IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2020
Amendment to IC Interpretation 132	Intangible Assets – Web Site Costs	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
MFRS 10	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred until further notice

## **A2 SEASONAL OR CYCLICAL FACTORS**

The business operations of the Group are not subject to any seasonal or cyclical factors.

## **A3 UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during current quarter and year to date ended 31 March 2019.

#### **A4 CHANGES IN ESTIMATES**

There were no changes in estimates that have had any material effect on current quarter and year to date ended 31 March 2019.

#### **A5 DEBT AND EQUITY SECURITIES**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during current quarter and year to date ended 31 March 2019 other than as disclosed below:

- 1) 116,316,900 ordinary shares were issued under Share Issuance Scheme

#### **A6 DIVIDENDS PAID**

No dividends were paid during current quarter and year to date ended 31 March 2019.

#### **A7 SEGMENTAL INFORMATION**

The Group's operating segments are classified according to the nature of activities as follow:-

- |                                 |  |
|---------------------------------|--|
| Electronic Payment services     | : Involved in terminal and other related services.   |
| Non-electronic Payment services | : Involved in provision of turnkey solutions on the network infrastructure, security management, research and development of software, system design, integration and installation and provision of IT services. |
| GEM                             | : Involved in provision of reservation and planning services and its related solutions.  |

	Individual Quarter		Cumulative Quarter	
	Ended 31.03.2019 RM'000	Ended 31.03.2018 RM'000	Ended 31.03.2019 RM'000	Ended 31.03.2018 RM'000
<b>Segment Revenue</b>				
Electronic Payment services	508	2,827	5,992	12,417
Non-Electronic Payment services	-	960	352	1,881
GEM	-	-	3,517	-
	<u>508</u>	<u>3,787</u>	<u>9,861</u>	<u>14,298</u>
Eliminations	(86)	(84)	(401)	(214)
Group revenue	<u>422</u>	<u>3,703</u>	<u>9,460</u>	<u>14,084</u>
<b>Segment Results</b>				
Electronic Payment services	(1,474)	(206)	(2,142)	5,669
Non-Electronic Payment services	(198)	(3,839)	(616)	(5,515)
GEM	(1,547)	-	(6,183)	-
Investment holdings and Others	(295)	(949)	(1,266)	(3,424)
	<u>(3,514)</u>	<u>(4,994)</u>	<u>(10,207)</u>	<u>(3,270)</u>
Other Operating Expenses	-	(1,742)	(837)	(4,266)
	<u>(3,514)</u>	<u>(6,736)</u>	<u>(11,044)</u>	<u>(7,536)</u>
			<b>As At 31.03.2019</b>	<b>As At 30.6.2018</b>
<b>Segment Assets</b>				
Electronic Payment services			33,126	34,546
Non-Electronic Payment services			4,514	7,355
GEM			5,903	-
Investment holdings and Others			46,263	54,063
			<u>89,806</u>	<u>95,964</u>
<b>Segment Liabilities</b>				
Electronic Payment services			82	540
Non-Electronic Payment services			421	421
GEM			78	-
Investment holdings and Others			4,406	2,897
			<u>4,987</u>	<u>3,858</u>



#### **A8 VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There were no valuation undertaken for property, plant and equipment.

#### **A9 CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during current quarter and year to date ended 31 March 2019.

#### **A10 CONTINGENT LIABILITIES**

There were no material contingent liabilities not provided for as at the date of this report.

#### **A11 SIGNIFICANT EVENTS DURING THE INTERIM REPORTING PERIOD**

- 1) On 2 July 2018, 116,316,900 share options were offered to eligible employee at an exercise price of option of RM0.0225 each.
- 2) On 9 Oct 2018, 116,316,900 share options were fully exercise by eligible employee at an exercise price of option of RM0.0225 each.
- 3) On 16 January 2019, the Company proposes to undertake the private placement of up to 1,038,223,900 new ordinary shares, as disclosed in Note B7.

#### **A12 MATERIAL EVENTS SUBSEQUENT TO THE INTERIM REPORTING PERIOD**

- 1) On 25 April 2019, Gem Live Sdn Bhd (“GEM Live”), a wholly own subsidiary company, has entered into a collaboration agreement with Buy Tickets Sdn Bhd (“BuyTickets”) whereby BuyTickets shall provide and make available all technologies of online ticketing websites or plateform know as buytickets.com.my to GEM Live.
- 2) On 3 May 2019, the Company announce that the subscription rights of the Warrant 2016/2019 (“Warrants”) will expire at 5.00 p.m. on Friday, 7 June 2019 (“Expiry Date”).

#### **A13 CAPITAL COMMITMENTS**

The amount of commitments not provided for as at 31 March 2019 is as follows:

Approved and contracted for:	USD'000	RM'000
Intangible Assets	-	209
Registered share capital of FFUTL to be paid up by year 2048	8,889	-
Acquisition of motor vehicle	-	325

#### **A14 RELATED PARTY TRANSACTIONS**

There were no significant transactions with related parties during current quarter and year to date ended 31 March 2019.

## B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

### B1 PERFORMANCE REVIEW

Group Results	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.03.2019 RM'000	31.03.2018 RM'000	RM'000	%	31.03.2019 RM'000	31.03.2018 RM'000	RM'000	%
Revenue	422	3,703	(3,281)	(89)	9,460	14,084	(4,624)	(33)
Gross Profit	(423)	814	(1,237)	(152)	1,180	7,801	(6,621)	(85)
Profit Before Interest and Tax	(3,479)	(6,696)	3,217	48	(10,934)	(7,413)	(3,521)	(47)
Profit Before Tax	(3,514)	(6,736)	3,222	48	(11,044)	(7,536)	(3,508)	(47)
Profit After Tax	(3,514)	(6,738)	3,224	48	(11,049)	(7,703)	(3,346)	(43)
Profit Attributable to Ordinary Equity Holders of the Company	(3,265)	(6,040)	2,775	46	(10,715)	(6,852)	(3,863)	(56)

For the current quarter ended 31 March 2019, the Group recorded revenue of RM0.42 million, lower as compared with corresponding quarter in previous year of RM3.70 million as there were no sales of electronic payment solutions from Electronic Payment segment and GEM segment in current quarter. The gross loss in current quarter was mainly due to the amortization cost on intangible assets of RM0.86 million.

The Group recorded a loss before taxation for the current quarter of RM3.51 million, lower loss as compared to RM6.74 million in the corresponding quarter in previous year despite lower sales, mainly due to lower foreign exchange losses as Ringgit Malaysia strengthen against USD.

For the 9 months ended 31 March 2019, the Group recorded revenue of RM9.46 million, lower as compared to RM14.08 million in preceding year-to-date, mainly due to lower revenue from Electronic Payment segment but cushioned by new revenue from GEM segment. The gross profit margin of 12% for current year was lower than preceding year-to-date of 55% due to higher implementation cost arising from expansion of scope of work in software customization in order to compete in current market and higher amortization cost on intangible assets.

The group recorded a loss before tax of RM11.04 million for the current year-to-date, higher as compared with preceding year to-date of RM7.54 million mainly due to lower gross profit margin and higher marketing expenses for promoting GEM products, cushioned by lower foreign exchange loss as Ringgit Malaysia strengthen against USD, lower loss on fair value adjustment on investment in MLAB System Berhad and lower share-based compensation expenses.

### Electronic Payment Services Segment

Electronic Payment Segment	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.03.2019	31.03.2018	RM'000	%	31.03.2019	31.03.2018	RM'000	%
Revenue	422	2,743	(2,321)	(85)	5,591	12,203	(6,612)	(54)
Gross Profit	(369)	574	(943)	(164)	375	7,445	(7,070)	(95)
Profit Before Interest and Tax	(1,474)	(206)	(1,268)	(616)	(2,142)	5,669	(7,811)	(138)
Profit Before Tax	(1,474)	(206)	(1,268)	(616)	(2,142)	5,669	(7,811)	(138)
Profit After Tax	(1,474)	(207)	(1,267)	(612)	(2,142)	5,505	(7,647)	(139)

For the current quarter ended 31 March 2019, Electronic payment services segment reported revenue of RM0.42 million and gross loss position, lower than RM2.74 million revenue and gross profit margin of 21% in the corresponding quarter in previous year, because there were no sales of electronic payment solutions to overseas but there were amortization of intangible assets of RM0.82 million in current quarter.

The segment reported loss before tax of RM1.47 million in current quarter, higher than RM0.21 million in corresponding quarter in previous year mainly due to lower sales and gross loss as mentioned above.

This segment achieved revenue of RM5.59 million, lower as compared with preceding year to-date of RM12.20 million due to lower sales of electronic payment solutions to oversea. The gross profit margin of 6.70% in current year to-date was lower than 61% in preceding year to-date mainly due to higher implementation cost arising from expansion of scope of work in software customization in order to compete in current market.

This segment recorded loss before tax of RM2.14 million, lower as compared with preceding year to-date's profit before tax of RM5.67 million mainly due to lower revenue and lower gross profit margin.

### Non-electronic Payment Services Segment

Non - Electronic Payment Segment	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.03.2019 RM'000	31.03.2018 RM'000	RM'000	%	31.03.2019 RM'000	31.03.2018 RM'000	RM'000	%
Revenue	-	960	(960)	-	352	1,881	(1,529)	(81)
Gross Profit	-	240	(240)	-	34	356	(322)	(90)
Profit Before Interest and Tax	(163)	(3,799)	3,636	96	(506)	(5,392)	4,886	91
Profit Before Tax	(198)	(3,839)	3,641	95	(616)	(5,515)	4,899	89
Profit After Tax	(198)	(3,840)	3,642	95	(621)	(5,518)	4,897	89

The revenue in current year-to-date was the remaining balance of 10% progress billings from the contract secured in year 2017.

Current quarter reported a loss before tax of RM0.20 million, lower as compared to loss before tax RM3.84 million in the corresponding quarter in previous year mainly due to lower foreign exchange losses as Ringgit Malaysia strengthen against USD and lower operating cost in current quarter.

This segment recorded revenue of RM0.35 million, lower as compared with preceding year to-date of RM1.88 million as the current year-to-date's revenue were the remaining balance of progress billings from the contract secured in year 2017.

This segment recorded loss before tax of RM0.51 million, lower as compared with preceding year to-date loss of RM5.51 million mainly due to lower losses on foreign exchange as Ringgit Malaysia strengthen against USD and lower operating cost.

### GEM Segment

GEM	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.03.2019 RM'000	31.03.2018 RM'000	RM'000	%	31.03.2019 RM'000	31.03.2018 RM'000	RM'000	%
Revenue	-	-	-	-	3,517	-	3,517	-
Gross Profit	(54)	-	(54)	-	771	-	771	-
Profit Before Interest and Tax	(1,547)	-	(1,547)	-	(6,183)	-	(6,183)	-
Profit Before Tax	(1,547)	-	(1,547)	-	(6,183)	-	(6,183)	-
Profit After Tax	(1,547)	-	(1,547)	-	(6,183)	-	(6,183)	-

This is the new segment which commence this year. The gross loss in current quarter is mainly due to amortization of intangible assets and some software platform maintenance cost. The current year-to-date revenue was sales of GEM software and solutions to overseas. This segment having a loss before tax of RM1.55 million in current quarter and RM6.18 million in current year-to-date mainly due to high marketing cost for promoting GEM products.

## B2 COMMENT ON MATERIAL CHANGE IN PERFORMANCE COMPARED WITH PRECEDING QUARTER

	Current Quarter	Preceding Quarter		
	Ended 31.03.2019 RM'000	Ended 31.12.2018 RM'000	Changes RM'000 %	
<b>Group Results</b>				
Revenue	422	4,081	(3,659)	(90)
Gross Profit	(423)	633	(1,056)	(167)
Profit Before Interest and Tax	(3,479)	(6,755)	3,276	48
Profit Before Tax	(3,514)	(6,792)	3,278	48
Profit After Tax	(3,514)	(6,794)	3,280	48
Profit Attributable to Ordinary Equity Holders of the Company	(3,265)	(6,623)	3,358	51

The Group recorded revenue of RM0.42 million in current quarter, lower as compared to RM4.08 million in previous quarter as there were no sales of software to overseas in current quarter. The gross loss in current quarter was mainly due to amortization of intangible assets of RM0.86 million. The loss before tax of RM3.51 million in current quarter, lower as compared to RM6.79 million in previous quarter mainly due to lower marketing cost for promoting GEM products.

## B3 FUTURE PROSPECTS

The Group is currently developing the MPex system together with third party developers, which the Group intends to offer the MPex system to its existing merchants which were previously obtained through its EFTPOS terminals business as well as secure new merchants.

Further to the above, the Group intends to leverage on its existing experience, technologies and infrastructures in the mobile payment segment to venture into the mobile app space via the development of GEM app, which is expected to enhance the income stream of the Group.

The Group will continue to pursue business ventures domestically and internationally to propel future growth. Despite the uncertain market condition, the Group is optimistic to deliver a reasonable performance for the financial year ending 30 June 2019.

## B4 PROFIT FORECAST OR PROFIT GUARANTEE

There is no profit forecast and profit guarantee provided by the Company.

**B5 PROFIT / (LOSS) BEFORE TAX**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year Todate Ended	Preceding Year Todate Ended
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is stated after charging/(crediting) :-				
Depreciation of PPE	149	78	312	201
Amortisation of intangible assets	861	858	2,451	1,428
Property, plant and equipment written off	2	19	10	19
Interest expense	35	40	110	123
Foreign exchange (gain) / loss	931	3,285	76	3,435
Interest income	(21)	(152)	(190)	(303)
Rental income	(22)	(50)	(97)	(151)
FV (Gain)/Loss on Investment	295	2,352	1,266	4,306
(Gain) / Loss on disposal of Investment	-	(1,403)	-	(882)
Share-based Compensation expenses	-	1,742	837	4,266
Allowance for doubtful debts	-	43	-	43

**B6 TAXATION**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year Todate Ended	Preceding Year Todate Ended
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
Current period				
- Income taxation	-	2	5	167
- Deferred taxation	-	-	-	-
Total	-	2	5	167

The Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated taxable profit for the financial year.

The effective tax rate of the Group for the financial year were higher than the statutory tax rate mainly due to certain expenses not tax allowable.

## B7 STATUS OF CORPORATE PROPOSALS

On 16 January 2019, the Company proposed to undertake the private placement of up to 1,038,223,900 new ordinary shares, representing up to 30% of the enlarged total number of issued shares of the Company, to independent third party investors. Bursa Securities has, vide its letter dated 29 January 2019 approved the listing and quotation of up to 1,038,223,900 Placement Shares to be issued pursuant to the Proposed Private Placement. The Proposed Private Placement was approved by the shareholders at the Extraordinary General Meeting held on 22 February 2019.

## B8 STATUS OF UTILISATION OF PROCEEDS

### A) STATUS OF UTILISATION OF PROCEEDS RAISED FROM SHARE ISSUANCE TO MACQUARIE BANK LIMITED

On 16 June 2017, the Company entered into a conditional subscription agreement with Macquarie Bank Limited ("Macquarie Bank") in relation to the proposed issuance and allotment of up to 500 million new ordinary shares in NetX to Macquarie Bank in accordance with the terms and conditions of the Subscription Agreement ("Proposed Share Issuance")

The Shares Issuance was completed on 19 January 2018. The 500 million Subscription Shares under the Share Issuance have fully subscribed by Macquarie Bank raising RM21,103,000.00 for the Company.

<b>Purpose</b>	<b>Proposed Utilisation (RM'000)</b>	<b>Actual Utilisation (RM'000)</b>	<b>Balance (RM'000)</b>	<b>Intended Timeframe for Utilisation</b>
Development and marketing of MPEX System	20,000	8,477	11,523	Within 24 months
Working Capital	323	323	-	Within 24 months
Corporate Exercise exp	780	780	-	Immediate
	<u>21,103</u>	<u>9,580</u>	<u>11,523</u>	

**B) PRIVATE PLACEMENT OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES TO THIRD PARTY INVESTOR(S)**

On 15 March 2018, The Company propose to undertake the private placement of new ordinary shares of up to 10% of the total number of issued shares of the Company to third party investor(s). The private placement has been completed on 20 April 2018 following the listing and quotation of 243,998,000 placement shares at RM0.0271 per placement shares on the Ace Market of Bursa Securities, raising RM6,612,346 for the Company.

<b>Purpose</b>	<b>Purpose Utilisation (RM'000)</b>	<b>Actual Utilisation (RM'000)</b>	<b>Balance (RM'000)</b>	<b>Intended for Timeframe Utilisation</b>
Payallz's funding requirement for Onliner Project	6,504	3,270	3,234	Within 36 months
Expenses for the Private Placement	108	108	-	Immediate
	<u>6,612</u>	<u>3,378</u>	<u>3,234</u>	

**B9 GROUP BORROWINGS AND DEBT SECURITIES**

	<b>As at 31.03.2019 Unaudited RM'000</b>	<b>As at 30.6.2018 Audited RM'000</b>
<b>Short term borrowing</b>		
Term loan - Secured	<u>339</u>	<u>324</u>
<b>Long term borrowing</b>		
Term loan - Secured	<u>2,006</u>	<u>2,249</u>

The term loans is denominated in Ringgit Malaysia and the interest rate of the term loan at the reporting date is 5.34% per annum.

**B10 DIVIDEND PAYABLE**

No dividend was declared or paid in current quarter and year to date ended 31 March 2019.



## B11 EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit/(loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period. The basic earnings per share was calculated as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year To date Ended	Preceding Year To date Ended
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Net profit/(loss) attributable to owners of the parent (RM)	<u>(3,265,000)</u>	<u>(6,040,000)</u>	<u>(10,715,000)</u>	<u>(6,852,000)</u>
Weighted average number of ordinary shares	<u>2,790,184,003</u>	<u>2,082,666,566</u>	<u>2,768,662,876</u>	<u>1,770,974,213</u>
Basic profit/(loss) per share (sen)	<u>(0.12)</u>	<u>(0.29)</u>	<u>(0.39)</u>	<u>(0.39)</u>

### (b) Diluted

There is no dilution in the earnings per share of the Company as the average market values of the warrants as at 31 March 2019 together with the exercise price were higher than the market value of the ordinary shares. Accordingly, there was no assumed full conversion of the warrants into ordinary shares which could result in the dilution of the Company's earnings per share.

## B11 AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 30 June 2018 was not subject to any qualification.

## B12 AUTHORISATION FOR ISSUE

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