

NETX HOLDINGS BERHAD (Registration No. 200001030834 (533441-W))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR CURRENT QUARTER AND YEAR TODATE ENDED 31 AUGUST 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/08/2022 RM'000	PRECEDING YEAR QUARTER 31/08/2021 RM'000	CURRENT YEAR TO DATE 31/08/2022 RM'000	PRECEDING YEAR TO DATE 31/08/2021 RM'000
REVENUE	8,332	779	14,520	6,249
COST OF SALES	(7,153)	(617)	(12,280)	(5,192)
GROSS PROFIT	1,179	162	2,240	1,057
OTHER INCOME	3,317	1,463	8,779	4,630
ADMINISTRATION EXPENSES	(3,718)	(3,307)	(11,588)	(10,087)
OTHER OPERATING EXPENSES	(3,206)	(84)	(4,346)	(8,285)
PROFIT / (LOSS) FROM OPERATIONS	(2,428)	(1,766)	(4,915)	(12,685)
FINANCE COST	(444)	(21)	(1,357)	(97)
PROFIT / (LOSS) BEFORE TAX	(2,872)	(1,787)	(6,272)	(12,782)
INCOME TAX EXPENSES	-	(2)	-	(4)
NET PROFIT / (LOSS) FOR THE PERIOD	(2,872)	(1,789)	(6,272)	(12,786)
OTHER COMPREHENSIVE INCOME	(1,175)	(123)	(2,884)	(568)
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD	<u>(4,047)</u>	<u>(1,912)</u>	<u>(9,156)</u>	<u>(13,354)</u>
NET PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE COMPANY	(2,710)	(1,767)	(6,077)	(11,964)
NON-CONTROLLING INTEREST	(162)	(22)	(195)	(822)
	<u>(2,872)</u>	<u>(1,789)</u>	<u>(6,272)</u>	<u>(12,786)</u>
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	(3,791)	(1,883)	(8,740)	(12,485)
NON-CONTROLLING INTEREST	(256)	(29)	(416)	(869)
	<u>(4,047)</u>	<u>(1,912)</u>	<u>(9,156)</u>	<u>(13,354)</u>
EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY :				
Basic (sen)	<u>(0.32)</u>	<u>(0.21)</u>	<u>(0.73)</u>	<u>(1.43)</u>

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 November 2021 and the accompanying explanatory notes attached to the interim financial statements.

NETX HOLDINGS BERHAD (Registration No. 200001030834 (533441-W))

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 AUGUST 2022**

	AS AT 31 Aug 2022 Unaudited RM'000	AS AT 30 Nov 2021 Audited RM'000
<u>ASSETS</u>		
<u>NON-CURRENT ASSETS</u>		
Plant and Equipment	2,696	4,290
Investment Properties	41,230	38,121
Right Of Use Asset	291	443
Intangible Assets	13,529	13,455
Other Investments	6,715	6,615
Goodwill on Consolidation	5,936	5,936
	<u>70,397</u>	<u>68,860</u>
<u>CURRENT ASSETS</u>		
Inventories	33	13
Trade Receivables	9,367	5,251
Other Receivables, Deposits and Prepayment	18,709	15,303
Contract Assets	1,647	1,875
Current Tax Assets	55	56
Short Term Investment	10,016	25,638
Cash and Bank Balances	58,510	64,404
	<u>98,337</u>	<u>112,540</u>
TOTAL ASSETS	<u><u>168,734</u></u>	<u><u>181,400</u></u>
<u>EQUITIES AND LIABILITIES</u>		
<u>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</u>		
Share Capital	205,877	205,877
Warrant Reserve	19,226	19,226
Foreign Exchange Reserve	(3,120)	(457)
Accumulated Losses	(86,064)	(79,987)
	<u>135,919</u>	<u>144,659</u>
Non-Controlling Interest	(4,955)	(4,641)
TOTAL EQUITY	<u>130,964</u>	<u>140,018</u>
<u>NON-CURRENT LIABILITIES</u>		
Term Loan	27,561	31,783
Lease Liabilities	99	245
Deferred Tax Liability	133	133
	<u>27,793</u>	<u>32,161</u>
<u>CURRENT LIABILITIES</u>		
Trade Payables	1,667	593
Other Payables and Accruals	1,482	4,109
Contract Liabilities	1,833	2,052
Lease Liabilities	201	202
Term Loan	4,794	2,265
Current Tax liabilities	-	-
	<u>9,977</u>	<u>9,221</u>
TOTAL LIABILITIES	37,770	41,382
TOTAL EQUITIES AND LIABILITIES	<u><u>168,734</u></u>	<u><u>181,400</u></u>
Net Assets per share attributable to owners of the Company (RM)	0.16	0.17

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 November 2021 and the accompanying explanatory notes attached to the interim financial statements.

NETX HOLDINGS BERHAD (Registration No. 200001030834 (533441-W))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR TODATE ENDED 31 AUGUST 2022**

	←—— ATTRIBUTABLE TO OWNER OF THE PARENT ——→					NON CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000	
	←—— 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		
As at 1 December 2021	205,877	-	19,226	(457)	(79,987)	144,659	(4,641)	140,018
Loss after taxation	-	-	-		(6,077)	(6,077)	(195)	(6,272)
Other Comprehensive loss:								
Foreign Currency translation reserve	-	-	-	(2,663)	-	(2,663)	(221)	(2,884)
Total Comprehensive loss for the financial period	-	-	-	(2,663)	(6,077)	(8,740)	(416)	(9,156)
Transactions with owners:								
Issuance of shares pursuant to Private Placement	-	-	-	-	-	-	-	-
Provision of SIS reserve	-	-	-	-	-	-	-	-
Issuance of shares pursuant to exercise of SIS RCPS	-	-	-	-	-	-	102	102
Total Transactions with owners:	-	-	-	-	-	-	102	102
As at 31 August 2022	205,877	-	19,226	(3,120)	(86,064)	135,919	(4,955)	130,964
As at 1 December 2020	205,877	-	19,226	470	(59,195)	166,378	(3,911)	162,467
Loss after taxation	-	-	-		(11,964)	(11,964)	(822)	(12,786)
Other Comprehensive loss:								
Foreign Currency translation reserve	-	-	-	(521)	-	(521)	(47)	(568)
Total Comprehensive loss for the financial period	-	-	-	(521)	(11,964)	(12,485)	(869)	(13,354)
Transactions with owners:								
Acquisition of subsidiary	-	-	-	-	-	-	733	733
Total Transactions with owners:	-	-	-	-	-	-	733	733
As at 31 August 2021	205,877	-	19,226	(51)	(71,159)	153,893	(4,047)	149,846

The unaudited Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 30 November 2021 and the accompanying explanatory notes attached to the interim financial statements.

NETX HOLDINGS BERHAD (Registration No. 200001030834 (533441-W))
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR TODATE ENDED 31 AUGUST 2022

	CURRENT YEAR TO DATE 31/08/2022 RM'000	PRECEDING YEAR TO DATE 31/08/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(6,272)	(12,782)
Adjustment for:		
Amortisation of intangible assets	707	891
Bad debts written off	10	1
Depreciation of plant and equipment	1,748	1,713
Depreciation of investment properties	1,050	42
Depreciation of right of use assets	152	117
Dividend income	(57)	(516)
Fair value (gain) / loss on other investments	4,482	1,599
Fair value (gain) / loss on short-term investment	(164)	54
(Gain)/loss on disposal of other investments	(16)	6,631
Unrealised foreign exchange (gain)/loss	(6,647)	(2,617)
Interest expense	1,357	97
Interest income	(7)	(781)
Inventories written off	1	-
Plant and equipment written off	18	1
Reversal of impairment losses on trade receivables	(15)	(36)
Operating (loss) / profit before working capital changes	<u>(3,653)</u>	<u>(5,586)</u>
Changes in contract assets / contract liabilities	9	(267)
Increase in inventories	(21)	(37)
(Increase) / decrease in receivables	(7,360)	3,088
Increase / (Decrease) in payables	1,673	(1,144)
Cash (used in) / generated from operations	<u>(9,352)</u>	<u>(3,946)</u>
Interest received	7	781
Tax refunded	4	-
Tax paid	(13)	(4)
Cash (used in) / generated from operations activities	<u>(9,354)</u>	<u>(3,169)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	(98)	(5,154)
Acquisition of subsidiary	-	(673)
Additions in other investments	(4,804)	(1,649)
Dividend received	57	516
Proceeds from disposal of investment	16	10,913
Purchase of plant and equipment	(126)	(32)
Purchase of investment properties	(4,158)	-
Net cash (used in) / generated from investing activities	<u>(9,113)</u>	<u>3,921</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(1,357)	(97)
Withdrawal / (Placement) of short-term investment	15,786	6,492
Repayment of lease liabilities	(147)	(118)
Repayment of term loans	(1,693)	(282)
Non-controlling interests investment in a subsidiary	102	-
Net cash generated from financing activities	<u>12,691</u>	<u>5,995</u>
Net (decrease) / increase in cash and cash equivalents	(5,776)	6,747
Cash and cash equivalents at the beginning of the financial year	64,404	60,593
Effect of exchange differences	(118)	1,139
Cash and cash equivalents at the end of the financial year	<u>58,510</u>	<u>68,479</u>
Cash and cash equivalents comprise:		
Short Term Investment	10,016	68,479
Cash and bank balances	58,510	33,509
	<u>68,526</u>	<u>101,988</u>
Less: Short term investment	(10,016)	(33,509)
	<u>58,510</u>	<u>68,479</u>

The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial period ended 30 November 2021 and the accompanying explanatory notes attached to the interim financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR CURRENT QUARTER AND YEAR
TODATE ENDED 31 AUGUST 2022**

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 November 2021. 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 November 2021.

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 November 2021 except for the adoption of the following MFRS and Amendments to MFRS:

<u>MFRSs and Amendments to MFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendment to MFRS 3 Business Combinations – Reference to the Conceptual Framework	1 January 2022
Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standard 2018 - 2020	1 January 2022

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

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

<u>MFRSs and Amendments to MFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current	1 January 2023

A1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

<u>MFRS and IC Interpretations (Including the Consequential Amendments)</u>		<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 10 and MFRS128	Consolidated Financial Statements, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 August 2022.

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 August 2022.

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 August 2022.

A6 DIVIDENDS PAID

No dividends were paid during current quarter and year to-date ended 31 August 2022.

A7 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

A8 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 August 2022 other than as disclosed below:

- 1) On 17 December 2021, Fujian First United Technology Co. Ltd., a subsidiary company has completed the process of strike off the company.
- 2) On 22 December 2021, Gem Pay Sdn Bhd, a subsidiary company has completed the subscription of Second tranche of RCPS in Emicro Capital (M) Sdn Bhd, comprised of 1,000,000 RCPS of RM1.00 each pursuant to the SPA dated 14 December 2020.
- 3) On 11 March 2022, Gem Pay Sdn Bhd, a subsidiary company has completed the subscription of Third tranche of RCPS in Emicro Capital (M) Sdn Bhd, comprised of 1,000,000 RCPS of RM1.00 each pursuant to the SPA dated 14 December 2020.
- 4) On 28 March 2022, Gem Pay Sdn Bhd, a subsidiary company has entered into a new Shares Subscription Agreement with Emicro Capital (M) Sdn Bhd for subscription of up to 6,500,000 RCPS in Emicro Capital (M) Sdn Bhd at issue price of RM1.00 per RCPS in multiple tranches.
- 5) On 25 May 2022, Gem Pay Sdn Bhd, a subsidiary company has completed the subscription of First tranche of RCPS in Emicro Capital (M) Sdn Bhd, comprised of 4,000,000 RCPS of RM1.00 each pursuant to the new Shares Subscription Agreement dated 28 March 2022.
- 6) On 21 July 2022, Gem Pay Sdn Bhd, a subsidiary company has completed the subscription of First tranche of RCPS in Emicro Capital (M) Sdn Bhd, comprised of 1,500,000 RCPS of RM1.00 each pursuant to the new Shares Subscription Agreement dated 28 March 2022.

A9 CONTINGENT LIABILITIES

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

A10 MATERIAL EVENTS SUBSEQUENT TO THE INTERIM REPORTING PERIOD

There were no material events subsequent to the interim reporting period other than those disclosed in Note B7.

A11 SEGMENTAL INFORMATION

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

- | | |
|---|--|
| Electronic Payment services and money lending | : Involved in provision of payment terminal and payment solutions, money lending business, and its related software licensing and services |
| Money Services | : Involved in provision of money exchange and remittance services, trading of currencies and its related software licensing and services. |

A11 SEGMENTAL INFORMATION (CONTINUED)

- 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.
- Others : Other segments comprise investment holding and dormant companies.

	Electronic payment services RM'000	Money Services RM'000	Non- electronic payment services RM'000	GEM RM'000	Others RM'000	Elimination RM'000	Total RM'000
2022							
Revenue							
External revenue	1,378	8,148	1,892	2,298	804	-	14,520
Inter-company	-		-	115	-	(115)	-
	1,378	8,148	1,892	2,413	804	(115)	14,520
Results							
Segment operating profit/(loss)	(367)	(1,834)	(1,002)	(2,288)	(3,915)	58	(9,348)
Other operating income							8,779
Other operating expenses							(4,346)
Finance costs							(1,357)
Loss before taxation							(6,272)
Tax expenses							-
Loss after taxation							(6,272)
Non-controlling interests the Company							195
							(6,077)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Segments assets	11,210	12,249	3,376	15,274	126,625	-	168,734
Total assets							168,734
Segments liabilities	749	74	3,363	580	32,871	-	37,637
Deferred tax liability							133
Total liabilities							37,770

A11 SEGMENTAL INFORMATION (CONTINUED)

	Electronic payment services RM'000	Money Services RM'000	Non- electronic payment services RM'000	GEM RM'000	Others RM'000	Elimination RM'000	Total RM'000
2021							
Revenue							
External revenue	301	115	-	5,833	-	-	6,249
Inter-company	-	-	-	25	-	(25)	-
	301	115	-	5,858	-	(25)	6,249
Results							
Segment operating profit/(loss)	(632)	(1,112)	(2,032)	(2,297)	(3,024)	67	(9,030)
Other operating income							4,630
Other operating expenses							(8,285)
Finance costs							(97)
Loss before taxation							(12,782)
Tax expenses							(4)
Loss after taxation							(12,786)
Non-controlling interests of the Company							822
							(11,964)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Segments assets	2,882	15,044	1,423	12,370	121,694	-	153,413
Total assets							153,413
Segments liabilities	591	9	734	223	1,872	-	3,429
Deferred tax liability							139
Total liabilities							3,568

A12 RELATED PARTY TRANSACTIONS

All related party transactions within the Group had been entered into in the normal course of business and were carried out on normal commercial terms.

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 PERFORMANCE REVIEW

Group Results	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.08.2022	31.08.2021	RM'000	%	31.08.2022	31.08.2021	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	8,332	779	7,553	970	14,520	6,249	8,271	132
Gross Profit	1,179	162	1,017	628	2,240	1,057	1,183	112
Profit/(Loss) Before Interest and Tax	(2,428)	(1,766)	(662)	37	(4,915)	(12,685)	7,770	61
Profit/(Loss) Before Tax	(2,872)	(1,787)	(1,085)	61	(6,272)	(12,782)	6,510	51
Profit/(Loss) After Tax	(2,872)	(1,789)	(1,083)	61	(6,272)	(12,786)	6,514	51
Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	(2,710)	(1,767)	(943)	53	(6,077)	(11,964)	5,887	49

For the current quarter ended 31 August 2022, the Group recorded revenue of RM8.33 million, higher as compared to RM0.80 million in the corresponding quarter in previous year, mainly due to new revenue on sales of foreign currencies in Money Services segment as the new licensed money changer subsidiary was acquired on 28 October 2021 and higher interest earned from money lending business, mitigated by lower revenue from GEM segment, as there were no advertising revenue on GemSpot and lower sales in online food and gift deliveries due to the market reopening post MCO.

The Group recorded a loss before taxation for current quarter of RM2.87 million, higher loss as compared to RM1.79 million in the corresponding quarter in previous year, mainly due to higher loss on fair value adjustment on quoted investment by RM3.22 million, mitigated by higher unrealized forex gain by RM1.38 million as USD and HKD strengthen against Ringgit Malaysia.

For the 9 months ended 31 August 2022, the Group recorded revenue of RM14.52 million, higher as compared to RM6.25 million in the preceding year to-date, mainly due to new revenue on sales of foreign currencies in Money Services segment as the new licensed money changer subsidiary was acquired on 28 October 2021 and higher interest earned from money lending business, mitigated by lower revenue from GEM segment, as there were no advertising revenue on GemSpot and lower sales in online food and gift deliveries due to the market reopening post MCO.

The Group recorded a loss before taxation of RM6.27 million for the current year to-date, lower loss as compared to preceding year to-date of RM12.78 million, mainly due to realized loss on disposal of quoted investment of RM6.63 million in previous year which is none in current year, higher forex gain by RM4.14 million as USD and HKD strengthen against Ringgit Malaysia, mitigated by higher loss on fair value adjustment of quoted investment by RM2.88 million and higher loan interest by RM1.29 million from loans in Sungei Wang Plaza Sdn Bhd which was acquired on 30 September 2021.

B1 PERFORMANCE REVIEW (CONTINUED)

Electronic Payment Services and Money Lending Segment

Electronic Payment Segment	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.08.2022	31.08.2021	RM'000	%	31.08.2022	31.08.2021	RM'000	%
Revenue	836	142	694	489	1,378	301	1,077	358
Gross Profit	481	49	432	882	795	158	637	403
Loss Before Interest and Tax	80	(201)	281	140	(352)	(594)	242	(41)
Loss Before Tax	79	(202)	281	139	(354)	(595)	241	(41)
Loss After Tax	79	(203)	282	139	(354)	(596)	242	(41)

For the current quarter ended 31 August 2022, this segment reported revenue of RM0.84 million, higher as compared to RM0.14 million in the corresponding quarter in previous year, mainly contributed from higher interest earned from money lending business. The number of financing transactions for used car dealers has grown tremendously as the used car dealers need to purchase more stocks for their customers due to supply chain disruption leading to the shortage of microchips for new motor vehicles globally.

As compared to loss before tax of RM0.20 million in the corresponding quarter in previous year, this quarter recorded a profit before tax of RM0.08 million mainly due to higher revenue or interest earned from money lending business.

For the 9 months ended 31 August 2022, this segment reported revenue of RM1.38 million, higher as compared to RM0.30 million in previous year, mainly contributed from higher interest earned from money lending business and higher sales & maintenance of payment terminal.

The segment recorded loss before tax of RM0.35 million for the current year to-date, lower loss as compared to RM0.60 million in preceding year to-date, mainly due to higher gross profit and revenue achieved.

Money Services Segment

Money Services Segment	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.08.2022	31.08.2021	RM'000	%	31.08.2022	31.08.2021	RM'000	%
Revenue	4,656	4	4,652	100	8,148	115	8,033	99
Gross Profit	35	4	31	89	78	3	75	96
Profit/(Loss) Before Interest and Tax	(427)	(873)	446	51	(1,587)	(1,124)	(463)	41
Profit/(Loss) Before Tax	(428)	(873)	445	51	(1,589)	(1,124)	(465)	41
Profit/(Loss) After Tax	(428)	(873)	445	51	(1,589)	(1,124)	(465)	41

B1 PERFORMANCE REVIEW (CONTINUED)

Money Services Segment (Cont'd)

The revenue in this segment contributed from the provision of EFX platform services and the sales of foreign currencies from licensed money changer. The revenue for current quarter and year to-date is higher than corresponding quarter in preceding year and preceding year to-date mainly due to sales of foreign currencies from new licensed money changer subsidiary which was acquired on 28 October 2021.

This segment recorded loss before tax of RM0.43 million for current quarter, lower loss as compared to RM0.87 million in the corresponding quarter in previous year, mainly due to lower operating expenses and higher gross profit and revenue achieved from new licensed money changer subsidiary which was acquired on 28 October 2021.

For the 9 months ended 31 August 2022, this segment recorded loss before tax of RM1.59 million for current year to-date, higher loss as compared to RM1.12 million in preceding year to-date, mainly due to maintaining the business in licensed money changer as well as EFX platform while pending border restriction of foreign countries to be lifted.

Non-electronic Payment Services Segment

	Individual Quarter				Cumulative Quarter			
	Ended 31.08.2022 RM'000	Ended 31.08.2021 RM'000	Changes		Ended 31.08.2022 RM'000	Ended 31.08.2021 RM'000	Changes	
Non -Electronic Payment Segment			RM'000	%			RM'000	%
Revenue	1,754	-	1,754	100	1,892	-	1,892	100
Gross Profit	78	-	78	100	86	-	86	100
Profit/(Loss) Before Interest and Tax	(183)	(337)	154	46	(682)	(1,952)	1,270	65
Profit/(Loss) Before Tax	(184)	(338)	154	46	(687)	(1,955)	1,268	65
Profit/(Loss) After Tax	(184)	(341)	157	46	(687)	(1,959)	1,272	65

Currently Non-electronic payment services segment only supplies network equipment and infrastructure on a confirmed project basis. There was no revenue in previous year as there were no project in previous year.

This segment recorded loss before tax of RM0.18 million for current quarter and RM0.69 million for current year to-date, lower loss as compared to RM0.34 million in corresponding quarter in preceding year and RM1.96 million in preceding year to-date respectively, mainly due to realised forex gain of RM0.25 million and lower general administration & depreciation expenses.

B1 PERFORMANCE REVIEW (CONTINUED)

GEM Segment

	Individual Quarter				Cumulative Quarter			
	Ended 31.08.2022 RM'000	Ended 31.08.2021 RM'000	Changes		Ended 31.08.2022 RM'000	Ended 31.08.2021 RM'000	Changes	
GEM			RM'000	%			RM'000	%
Revenue	833	638	195	(31)	2,413	5,858	(3,445)	59
Gross Profit	295	113	182	(161)	629	921	(292)	32
Loss Before Interest and Tax	(735)	(820)	85	10	(2,282)	(2,291)	9	0
Loss Before Tax	(735)	(820)	85	10	(2,282)	(2,291)	9	0
Loss After Tax	(735)	(820)	85	10	(2,282)	(2,291)	9	0

GEM segment achieved revenue of RM0.83 million in current quarter and RM2.41 million in current year to-date. As compared to RM0.64 in the corresponding quarter in previous year and RM5.86 million in preceding year to-date, the lower revenue achieved mainly due to lower sales in online food and gift deliveries due to the market reopening post MCO. More focus has been channeled into the platform's upgrading development works which is also translated to parking advertising and promotional activities to the end of the year once the new upgraded mobile app and web has been launched.

This segment achieved a loss before tax of RM0.74 million in current quarter and RM2.28 million in current year to-date, as compared to RM0.82 million in corresponding quarter in previous year and RM2.29 million in preceding year to-date, mainly due to lower marketing expenses as more focus were channeled into the platform's upgrading development works.

B2 COMMENT ON MATERIAL CHANGE IN PERFORMANCE COMPARED AGAINST PRECEDING QUARTER

	Current Quarter	Preceding Quarter		
	Ended 31.08.2022 RM'000	Ended 31.05.2022 RM'000	Changes	
Group Results			RM'000	%
Revenue	8,332	3,325	5,007	151
Gross Profit	1,179	589	590	100
Profit/(Loss) Before Interest and Tax	(2,428)	390	(2,818)	(723)
Profit/(Loss) Before Tax	(2,872)	(62)	(2,810)	(4,532)
Profit/(Loss) After Tax	(2,872)	(62)	(2,810)	(4,532)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	(2,710)	(183)	(2,527)	(1,381)

The Group recorded revenue of RM8.33 million in current quarter, higher as compared to RM3.33 million in previous quarter mainly due to higher sales of foreign currencies from licensed money changer as Malaysia lifted its border restriction since April 2022 and, higher sales of network equipment and infrastructure in Non-electronic Payment Services Segment.

B2 COMMENT ON MATERIAL CHANGE IN PERFORMANCE COMPARED AGAINST PRECEDING QUARTER (CONTINUED)

The Group recorded loss before tax of RM2.87 million in current quarter, higher loss as compared to RM0.06 million in previous quarter, mainly due to higher loss on fair value adjustment of quoted investment by RM1.64 million, and lower unrealised gain on forex by RM2.64 million, mitigated by higher revenue and gross profit achieved.

B3 FUTURE PROSPECTS

Electronic Payment Services and Money Lending Segment

As Malaysia had transitioned to endemic in Q2 2022, more economic sectors have started to operate.

eMicro have onboarded quite a numbers of used car dealers, the numbers of financing for used car dealers have grown tremendously as the used car dealers need to purchase more stocks for their customers due to supply chain disruption leading to the shortage of microchips for new motor vehicles globally.

Money Services Segment

While the Group is still developing the digital platform which offers travellers with an option to purchase foreign currencies, Mountain Money Sdn Bhd (“MMSB”) has seen a growth of 73% in their transactions due to the opening of borders. As there are quite a big numbers of money changers closed down during the pandemic, the Group feel that it’s the time to expand the foreign exchange business to cover more locations within and outside of the nation.

Non-electronic Payment Services Segment

Under the non-electronic payment services segment, the Group provides systems integration and hardware solutions including the supply of network equipment and infrastructure on a project basis. While the Group endeavours to continue to procure projects for this segment, the project nature of such business is expected to contribute to the volatility in the Group’s revenue.

GEM Segment

Malaysia’s economic growth has surpassed the initial forecast of 5.3% - 6.3% as the World Bank revised Malaysia’s GDP to 6.4% as the country saw faster growth in the second quarter at 8.9% and expected strong performance in the third quarter which will be announced on 7 October 2022. The driving factor that contributes to above expectation of economic growth is due to better domestic consumption and robust export growth from both the electrical and electronics (E&E) and commodity sectors.

B3 FUTURE PROSPECTS (CONTINUED)

GEM Segment (Cont'd)

Improved performance in the services and tourism opens up great opportunity for GemSpot as demands are increasing for celebration services. This is a great opportunity for GemSpot as GemSpot was launched to App Store and Google Play early September 2022. In conjunction with the release of the enhanced GemSpot app, out-of-home digital billboard was lived at 12 prominent locations in Klang Valley to increase the brand awareness.

GemSpot has also activated digital ads on social media to increase brand awareness besides social media postings. This has increased GemSpot's Google Ads impression from 700,000 to 1.2 million in just 3 months. The app has also seen a steady increase of new users week on week since the release to App Store and Google Play.

A string of festive celebrations are starting in Q4 in addition to the usual celebration of birthday, engagement, proposal and anniversary. GemSpot aims to continue to build awareness of the brand through word of mouth with collaboration with StarGems KOLs. GemSpot was launched with various general party decoration items as well as curated party decoration sets, sound and lights setup and talents to give convenience to users when planning their celebrations.

As Malaysia's economic growth is getting steadier, which means purchasing power returns to consumers, GemSpot also expects growth in GMV for Q4 of 2022. A series of celebration collaborations with KOL will be carried out as well as improved digital campaigns to draw in sales. GemSpot will be adding the venue booking feature and decoration packages for partner venues to increase revenue for the venue and GemSpot. This feature is targeted to be released in October 2022 and this feature is expected to increase GemSpot's revenue.

Group

The Group is adopting a cautious approach while remaining flexible in executing strategic plan in expanding our existing business and identifying new business opportunities to ensure adequate funding and sustainable profitability throughout the unprecedented time. Despite the uncertain market condition, the Group is optimistic to deliver a reasonable performance for the financial year ending 30 November 2022.

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 Ended	Preceding Year Ended
	31.08.2022	31.08.2021	31.08.2022	31.08.2021
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is stated after charging :-				
Amortisation of intangible assets	242	302	707	891
Bad debts written off	-	-	10	1
Depreciation of plant and equipment	592	576	1,748	1,713
Depreciation of investment properties	355	14	1,050	42
Depreciation of right-of-use assets	51	42	152	117
Fair value losses on other investments	3,231	12	4,482	1,599
Fair value losses on short-term investment	-	20	-	54
Interest expenses	444	21	1,357	97
Plant and equipment written off	-	-	18	1
Loss on foreign exchange - realised	-	5	-	-
Loss on disposal of other investment	-	51	-	6,631
<i>and crediting :-</i>				
Gain on foreign exchange - realised	251	-	256	151
Gain on foreign exchange - unrealised	2,178	802	6,647	2,617
Gain on disposal of short-term investment	16	-	16	-
Interest income	6	171	7	781
Dividend income	2	158	57	516
Rental income	71	35	203	106
Reversal of impairment gain on trade receivables	3	10	15	36
Fair value gain on short-term investment	35	-	164	-

B6 TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year Ended	Preceding Year Ended
	31.08.2022	31.08.2021	31.08.2022	31.08.2021
	RM'000	RM'000	RM'000	RM'000
Current period				
- Income taxation	-	2	-	4
- Deferred taxation	-	-	-	-
Total	-	2	-	4

B6 TAXATION (CONTINUED)

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 CORPORATE PROPOSALS

There were no other corporate proposals which had been announced by the Company and are pending for completion as at end of current quarter other than as disclosed below:

- 1) On 2 December 2021, the Company proposed to undertake the private placement of up to 167,193,400 new ordinary shares, representing up to approximately 20% of the total number of issued shares of the Company to third party investor(s). Bursa Securities has, vide its letter dated 23 December 2021, approved the listing and quotation of the placement shares to be issued pursuant to the private placement. Pursuant to the said approval granted by Bursa Securities, the Company may utilise it to issue the new shares until 31 December 2021, after which, the 10% general mandate will be reinstated pursuant to Rule 6.04(1) of the Listing Requirement. On 15 June 2022, Bursa Securities further approved the extension of completion of the private placement to 23 December 2022 via its letter dated 15 June 2022.

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 for the Company.

MPEX has been enhanced to be a payment exchange system that allows users to make payments, receive money, exchange with other currencies and withdraw money using other popular and established payment services and will be renamed as eFX system. The balance of proceeds available will be channelled towards the development and marketing of eFX system.

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Intended Timeframe for Utilisation
Development and marketing of eFX System	20,000	9,421	10,579	Within 48 months
Working Capital	323	323	-	Within 24 months
Expenses for the Share Issuance	780	780	-	Immediate
	<u>21,103</u>	<u>10,524</u>	<u>10,579</u>	

B8 STATUS OF UTILISATION OF PROCEEDS (CONTINUED)

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

On 9 January 2020, the Company proposed to undertake private placement of up to 10% of total number of issued shares of the Company to independent third-party investors. The Private Placement was completed on 21 April 2020 following the listing and quotation of 390,038,800 placement shares on the Ace Market of Bursa Securities, raising RM4,668,357 for the Company.

Purpose	Purpose Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Intended for Timeframe Utilisation
Rebranding and upgrading of the GEM application	4,573	4,573	-	Within 24 months
Expenses for the Private Placement	95	95	-	Immediate
	<u>4,668</u>	<u>4,668</u>	<u>-</u>	

On 3 May 2021, the Board of Directors has approved the extension of the timeframe for the full utilization of the proceeds raised to 24 months from the date of completion at 21 April 2020.

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

On 29 May 2020, the Company proposed to undertake the private placement of up to 10% of the total number of issued shares of the Company (excluding treasury shares) to third party investors. The Private Placement was completed on 16 June 2020 following the listing and quotation of 459,891,000 placement shares on the Ace Market of Bursa Securities, raising RM4,690,888 for the Company.

Purpose	Purpose Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Intended for Timeframe Utilisation
Enhancement of GemSpot and GemSpot Lite	4,581	4,581	-	Within 24 months
Expenses for the Private Placement	110	110	-	Immediate
	<u>4,691</u>	<u>4,691</u>	<u>-</u>	

B8 STATUS OF UTILISATION OF PROCEEDS (CONTINUED)

D) SHARE CONSOLIDATION AND RIGHTS ISSUE WITH WARRANTS

On 14 August 2020, the Company revised its proposal to undertake the consolidation of every 25 ordinary shares in NetX (“NetX Shares” or “Shares”) into 1 NetX Share (“Share Consolidation”); and renounceable rights issue of up to 629,491,596 new Shares (“Rights Shares”) together with up to 314,745,798 free detachable warrants in NetX (“Warrants C”) on the basis of 6 Rights Shares together with 3 free Warrants C for every 2 existing Share (after the Share Consolidation) held by the entitled shareholders (“Rights Issue with Warrant”). The Rights Issue with Warrant has been completed on 3 November 2020 following the listing and quotation of 626,136,825 Rights Shares and 313,068,412 Warrants C, raising RM81,397,787 for the Company.

Purpose	Purpose Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Intended for Timeframe Utilisation
Development of a F&B e-commerce platform	5,000	5,000	-	Within 18 months
Marketing of GemSpot and GemSpot Lite	25,000	409	24,591	Within 36 months
Development and intergration of business intelligence and data analytics system	8,000	-	8,000	Within 36 months
Investment or partnership in other complementary businesses or assets	25,000	14,854	10,146	Within 36 months
Working capital	17,498	12,286	5,212	Within 24 months
Expenses for the Right Issue	900	900	-	Immediate
	<u>81,398</u>	<u>33,449</u>	<u>47,949</u>	

B9 GROUP BORROWINGS AND DEBT SECURITIES

	As at 31.08.2022 Unaudited RM'000	As at 30.11.2021 Audited RM'000
Short term borrowing		
Term loan - Secured	<u>4,794</u>	<u>2,265</u>
Long term borrowing		
Term loan - Secured	<u>27,561</u>	<u>31,783</u>

The term loans is denominated in Ringgit Malaysia and the interest rate of the term loan at the reporting date is 5.31% to 6.20% per annum.

B10 DIVIDEND PAYABLE

No dividend was declared or paid in quarter and year-to-date ended 31 August 2022.

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:

	Current Quarter Ended 31.08.2022	Preceding Year Corresponding Quarter Ended 31.08.2021	Current Year Ended 31.08.2022	Preceding Year Ended 31.08.2021
Net profit/(loss) attributable to owners of the parent (RM)	<u>(2,710,000)</u>	<u>(1,767,000)</u>	<u>(6,077,000)</u>	<u>(11,964,000)</u>
Weighted average number of ordinary shares	<u>835,967,337</u>	<u>835,967,337</u>	<u>835,967,337</u>	<u>835,967,337</u>
Basic profit/(loss) per share (sen)	<u>(0.32)</u>	<u>(0.21)</u>	<u>(0.73)</u>	<u>(1.43)</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 August 2022 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.

B12 AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 30 November 2021 was not subject to any qualification.

B13 AUTHORISATION FOR ISSUE

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