

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR CURRENT QUARTER AND YEAR ENDED 30 NOVEMBER 2022**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>CURRENT YEAR QUARTER 30/11/2022 RM'000</u>	<u>PRECEDING YEAR QUARTER 30/11/2021 RM'000</u>	<u>CURRENT YEAR TO DATE 30/11/2022 RM'000</u>	<u>PRECEDING YEAR TO DATE 30/11/2021 RM'000</u>
REVENUE	7,187	4,874	13,638	11,011
COST OF SALES	(5,048)	(4,667)	(9,259)	(9,747)
GROSS PROFIT	2,139	207	4,379	1,264
OTHER INCOME	611	3,171	9,390	7,801
ADMINISTRATION EXPENSES	(7,943)	(4,037)	(19,531)	(14,124)
OTHER OPERATING EXPENSES	(4,290)	(8,559)	(8,636)	(16,844)
PROFIT / (LOSS) FROM OPERATIONS	(9,483)	(9,218)	(14,398)	(21,903)
FINANCE COST	(803)	(369)	(2,160)	(466)
PROFIT / (LOSS) BEFORE TAX	(10,286)	(9,587)	(16,558)	(22,369)
INCOME TAX EXPENSES	-	9	-	5
NET PROFIT / (LOSS) FOR THE PERIOD	(10,286)	(9,578)	(16,558)	(22,364)
OTHER COMPREHENSIVE INCOME	108	(449)	(2,776)	(1,017)
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD	<u>(10,178)</u>	<u>(10,027)</u>	<u>(19,334)</u>	<u>(23,381)</u>
NET PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE COMPANY	(10,025)	(8,828)	(16,102)	(20,792)
NON-CONTROLLING INTEREST	(261)	(750)	(456)	(1,572)
	<u>(10,286)</u>	<u>(9,578)</u>	<u>(16,558)</u>	<u>(22,364)</u>
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	(9,918)	(9,234)	(18,658)	(21,719)
NON-CONTROLLING INTEREST	(260)	(793)	(676)	(1,662)
	<u>(10,178)</u>	<u>(10,027)</u>	<u>(19,334)</u>	<u>(23,381)</u>
EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY :				
Basic (sen)	<u>(1.20)</u>	<u>(1.06)</u>	<u>(1.93)</u>	<u>(2.49)</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 30 NOVEMBER 2022**

	<b>AS AT 30/11/2022 Unaudited RM'000</b>	<b>AS AT 30/11/2021 Audited RM'000</b>
<b><u>ASSETS</u></b>		
<b><u>NON-CURRENT ASSETS</u></b>		
Plant and Equipment	2,341	4,290
Investment Properties	40,875	38,121
Right Of Use Asset	241	443
Intangible Assets	9,966	13,455
Other Investments	6,715	6,615
Goodwill on Consolidation	5,936	5,936
	<u>66,074</u>	<u>68,860</u>
<b><u>CURRENT ASSETS</u></b>		
Inventories	38	13
Trade Receivables	9,705	5,251
Other Receivables, Deposits and Prepayment	11,977	15,303
Contract Assets	1,304	1,875
Current Tax Assets	60	56
Short Term Investment	7,067	25,638
Cash and Bank Balances	62,889	64,404
	<u>93,040</u>	<u>112,540</u>
<b>TOTAL ASSETS</b>	<u><u>159,114</u></u>	<u><u>181,400</u></u>
<b><u>EQUITIES AND LIABILITIES</u></b>		
<b><u>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</u></b>		
Share Capital	205,877	205,877
Warrant Reserve	19,226	19,226
Foreign Exchange Reserve	(3,013)	(457)
Accumulated Losses	(96,089)	(79,987)
	<u>126,001</u>	<u>144,659</u>
Non-Controlling Interest	(5,138)	(4,641)
<b>TOTAL EQUITY</b>	<u>120,863</u>	<u>140,018</u>
<b><u>NON-CURRENT LIABILITIES</u></b>		
Term Loan	26,621	31,783
Lease Liabilities	59	245
Deferred Tax Liability	133	133
	<u>26,813</u>	<u>32,161</u>
<b><u>CURRENT LIABILITIES</u></b>		
Trade Payables	950	593
Other Payables and Accruals	3,299	4,109
Contract Liabilities	1,478	2,052
Lease Liabilities	190	202
Term Loan	5,521	2,265
	<u>11,438</u>	<u>9,221</u>
<b>TOTAL LIABILITIES</b>	38,251	41,382
<b>TOTAL EQUITIES AND LIABILITIES</b>	<u><u>159,114</u></u>	<u><u>181,400</u></u>
Net Assets per share attributable to owners of the Company (RM)	0.15	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 30 NOVEMBER 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			
<b>As at 1 December 2021</b>	205,877	-	19,226	(457)	(79,987)	144,659	(4,641)	140,018
Loss after taxation	-	-	-		(16,102)	(16,102)	(456)	(16,558)
Other Comprehensive loss:								
Foreign Currency translation reserve	-	-	-	(2,556)	-	(2,556)	(220)	(2,776)
Total Comprehensive loss for the financial year	-	-	-	(2,556)	(16,102)	(18,658)	(676)	(19,334)
Transactions with owners:								
Issuance of ordinary shares in subsidiary	-	-	-	-	-	-	179	179
Total Transactions with owners:	-	-	-	-	-	-	179	179
<b>As at 30 November 2022</b>	<u>205,877</u>	<u>-</u>	<u>19,226</u>	<u>(3,013)</u>	<u>(96,089)</u>	<u>126,001</u>	<u>(5,138)</u>	<u>120,863</u>
<b>As at 1 December 2020</b>	205,877	-	19,226	470	(59,195)	166,378	(3,911)	162,467
Loss after taxation	-	-	-		(20,792)	(20,792)	(1,572)	(22,364)
Other Comprehensive loss:								
Foreign Currency translation reserve	-	-	-	(927)	-	(927)	(90)	(1,017)
Total Comprehensive loss for the financial year	-	-	-	(927)	(20,792)	(21,719)	(1,662)	(23,381)
Transactions with owners:						-		
Acquisition of subsidiary						-	932	932
Total Transactions with owners:	-	-	-	-	-	-	932	932
<b>As at 30 November 2021</b>	<u>205,877</u>	<u>-</u>	<u>19,226</u>	<u>(457)</u>	<u>(79,987)</u>	<u>144,659</u>	<u>(4,641)</u>	<u>140,018</u>

*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 30 NOVEMBER 2022**

	<b>CURRENT YEAR TO DATE 30/11/2022 RM'000</b>	<b>PRECEDING YEAR TO DATE 30/11/2021 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(16,558)	(22,369)
Adjustment for:		
Amortisation of intangible assets	990	1,191
Bad debts written off	10	49
Depreciation of plant and equipment	2,378	2,291
Depreciation of investment properties	1,405	262
Depreciation of right of use assets	202	160
Dividend income	(57)	(634)
Fair value (gain) / loss on other investments	4,561	3,247
Fair value (gain) / loss on short-term investment	(221)	24
(Gain)/loss on disposal of other investments	-	6,648
(Gain)/loss on disposal of short term investments	(16)	28
Unrealised foreign exchange (gain)/loss	(5,515)	(3,461)
Impairment loss on intangible assets	3,418	4,285
Impairment loss on other investments	-	18
Impairment loss on trade receivables	842	-
Intangible assets written off	-	1,023
Interest expense	2,160	466
Interest income	(1,149)	(857)
Inventories written off	9	2
Plant and equipment written off	18	1
Reversal of impairment losses on trade receivables	(17)	(18)
Operating (loss) / profit before working capital changes	<u>(7,540)</u>	<u>(7,644)</u>
Changes in contract assets / contract liabilities	(3)	(170)
(Increase) / decrease in inventories	(35)	59
(Increase) / decrease in receivables	(2,237)	1,762
Increase / (Decrease) in payables	2,566	(260)
Cash (used in) / generated from operations	<u>(7,249)</u>	<u>(6,253)</u>
Interest received	1,149	857
Tax refunded	4	-
Tax paid	(18)	(5)
Cash (used in) / generated from operations activities	<u>(6,114)</u>	<u>(5,401)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of intangible assets	(298)	(5,733)
Acquisition of subsidiary	-	(734)
Additions in other investments	(4,888)	(8,815)
Dividend received	57	634
Proceeds from disposal of investment	22	10,837
Proceeds from disposal of property, plant and equipment	-	4
Purchase of plant and equipment	(392)	(59)
Purchase of investment properties	(4,158)	-
Net cash (used in) / generated from investing activities	<u>(9,657)</u>	<u>(3,866)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(2,160)	(467)
Withdrawal / (Placement) of short-term investment	18,786	14,366
Repayment of lease liabilities	(197)	(162)
Repayment of term loans	(1,906)	(629)
Non-controlling interests investment in a subsidiary	178	179
Net cash generated from financing activities	<u>14,701</u>	<u>13,287</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,070)</b>	<b>4,020</b>
Cash and cash equivalents at the beginning of the financial year	64,404	60,593
Effect of exchange differences	(445)	(209)
<b>Cash and cash equivalents at the end of the financial year</b>	<b><u>62,889</u></b>	<b><u>64,404</u></b>
Cash and cash equivalents comprise:		
Short Term Investment	7,067	25,638
Cash and bank balances	62,889	64,404
	<u>69,956</u>	<u>90,042</u>
Less: Short term investment	(7,067)	(25,638)
	<u>62,889</u>	<u>64,404</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 ENDED  
30 NOVEMBER 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>
Amendment to MFRS 3      Business Combinations – Reference to the Conceptual Framework	1 January 2022
Amendment to MFRS 9      Financial Instruments	1 January 2022
Amendments to MFRS 116      Property, Plant and Equipment – Proceeds before Intended Use	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 ended 30 November 2022.

## **A4 CHANGES IN ESTIMATES**

There were no changes in estimates that have had any material effect on current quarter and year ended 30 November 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 ended 30 November 2022.

## **A6 DIVIDENDS PAID**

No dividends were paid during current quarter and year ended 30 November 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 ended 30 November 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 Second 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.
- 7) On 1 October 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 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 other than as disclosed below:

1. On 20 January 2023, E-FX Sdn. Bhd. (“EFX”), a wholly-owned subsidiary of the Company entered into Share Sale and Purchase Agreement (“SPA”) with Mr. Tan Sik Eek for the proposed acquisition of 790,500 ordinary shares in Mountain Money Sdn. Bhd. (“MMSB”), representing 51% of the total issued and paid-up share capital of MMSB for a total consideration of RM332,010 only. Upon completion, the total equity interest of EFX in MMSB will be increased from 49% to 100% and MMSB will become an indirect wholly-owned subsidiary of NETX.

## **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.
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.
Investment Holding	: This segment comprise investment holding and dormant companies.



**A11 SEGMENTAL INFORMATION (CONTINUED)**

	<b>Electronic payment services RM'000</b>	<b>Money Services RM'000</b>	<b>Non- electronic payment services RM'000</b>	<b>GEM RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>2022</b>							
<b>Revenue</b>							
External revenue	2,495	131	6,828	2,854	1,330	-	13,638
Inter-company	-		-	116	-	(116)	-
	2,495	131	6,828	2,970	1,330	(116)	13,638
<b>Results</b>							
Segment operating profit/(loss)	(46)	(3,928)	(719)	(4,767)	(5,773)	81	(15,152)
Other operating income							9,390
Other operating expenses							(8,636)
Finance costs							(2,160)
Loss before taxation							(16,558)
Tax expenses							-
Loss after taxation							(16,558)
Non-controlling interests the Company							456
							(16,102)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>Segments assets</b>	11,626	16,265	2,293	10,049	118,881	-	159,114
Total assets							159,114
<b>Segments liabilities</b>	768	1,920	2,186	723	32,521	-	38,118
Deferred tax liability							133
Total liabilities							38,251

**A11 SEGMENTAL INFORMATION (CONTINUED)**

	Electronic payment services RM'000	Money Services RM'000	Non- electronic payment services RM'000	GEM RM'000	Investment Holding RM'000	Elimination RM'000	Total RM'000
<b>2021</b>							
<b>Revenue</b>							
External revenue	427	10	4,006	6,568	-	-	11,011
Inter-company	-	-	-	38	-	(38)	-
	427	10	4,006	6,606	-	(38)	11,011
<b>Results</b>							
Segment operating profit/(loss)	(846)	(2,328)	(2,294)	(3,885)	(3,594)	87	(12,860)
Other operating income							7,801
Other operating expenses							(16,844)
Finance costs							(466)
Loss before taxation							(22,369)
Tax expenses							5
Loss after taxation							(22,364)
Non-controlling interests of the Company							1,572
							(20,792)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>Segments assets</b>	3,150	44,384	9,191	38,709	85,966	-	181,400
Total assets							181,400
<b>Segments liabilities</b>	745	127	5,787	246	34,344	-	41,249
Deferred tax liability							133
Total liabilities							41,382

**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	
	30.11.2022	30.11.2021	RM'000	%	30.11.2022	30.11.2021	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	7,187	4,874	2,313	47	13,638	11,011	2,627	24
Gross Profit	2,139	207	1,932	933	4,379	1,264	3,115	246
Profit/(Loss) Before Interest and Tax	(9,483)	(9,218)	(265)	3	(14,398)	(21,903)	7,505	34
Profit/(Loss) Before Tax	(10,286)	(9,587)	(699)	7	(16,558)	(22,369)	5,811	26
Profit/(Loss) After Tax	(10,286)	(9,578)	(708)	7	(16,558)	(22,364)	5,806	26
Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	(10,025)	(8,828)	(1,197)	14	(16,102)	(20,792)	4,690	23

For the current quarter ended 30 November 2022, the Group recorded revenue of RM7.19 million, higher as compared to RM4.87 million in the corresponding quarter in previous year, mainly due to higher sales of network equipment and infrastructure in Non-electronic Payment Services segment and higher interest earned from money lending business.

The Group recorded a loss before taxation for current quarter of RM10.29 million, slightly higher losses as compared to RM9.59 million in the corresponding quarter in previous year, mainly due to unrealized forex loss of RM1.13 million as opposed to unrealized forex gain of RM0.84 million in the corresponding quarter in previous year and higher marketing expenses, mitigated by lower impairment loss on intangible assets by RM0.87 million and intangible assets written off (net) of RM1.02 million in previous year which is none in current year; and lower loss in fair value adjustment on investment in public listed company by RM1.57 million.

For year ended 30 November 2022, the Group recorded revenue of RM13.64 million, higher as compared to RM11.01 million in the preceding year, mainly due to higher sales of network equipment and infrastructure in Non-electronic Payment Services segment 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 RM16.56 million for the current year, lower loss as compared to preceding year of RM22.37 million, mainly due to higher revenue and gross profit margin, realized loss on disposal of quoted investment of RM6.65 million in previous year which is none in current year, higher forex gain by RM2.44 million as USD and HKD strengthen against Ringgit Malaysia, lower impairment loss on intangible assets by RM0.87 million and intangible assets written off (net) of RM1.02 million in previous year which is none in current year, mitigated by higher marketing and operating expenses by RM4.30 million and higher loan interest by RM1.72 million from loans in Sungei Wang Plaza Sdn Bhd which was acquired on 1 October 2021.

## B1 PERFORMANCE REVIEW (CONTINUED)

### Electronic Payment Services and Money Lending Segment

	Individual Quarter				Cumulative Quarter			
	Ended 30.11.2022 RM'000	Ended 30.11.2021 RM'000	Changes		Ended 30.11.2022 RM'000	Ended 30.11.2021 RM'000	Changes	
<b>Electronic Payment Segment</b>			RM'000	%			RM'000	%
Revenue	1,117	126	991	787	2,495	427	2,068	484
Gross Profit	758	68	690	1,015	1,553	227	1,326	584
Profit/(Loss) Before Interest and Tax	297	(176)	473	269	(55)	(770)	715	93
Profit/(Loss) Before Tax	296	(230)	526	229	(58)	(825)	767	93
Profit/(Loss) After Tax	296	(223)	519	233	(58)	(819)	761	93

For the current quarter ended 30 November 2022, this segment reported revenue of RM1.12 million, higher as compared to RM0.13 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 RM0.23 million in the corresponding quarter in previous year, this quarter recorded a profit before tax of RM0.30 million mainly due to higher revenue or interest earned from money lending business.

For year ended 30 November 2022, this segment reported revenue of RM2.50 million, higher as compared to RM0.43 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 RM0.06 million for the current year, lower loss as compared to RM0.83 million in preceding year, mainly due to higher gross profit and revenue achieved.

### Money Services Segment

	Individual Quarter				Cumulative Quarter			
	Ended 30.11.2022 RM'000	Ended 30.11.2021 RM'000	Changes		Ended 30.11.2022 RM'000	Ended 30.11.2021 RM'000	Changes	
<b>Money Services Segment</b>			RM'000	%			RM'000	%
Revenue	52	7	45	87	131	10	121	(92)
Gross Profit	52	7	45	87	130	10	120	92
Profit/(Loss) Before Interest and Tax	(2,150)	(5,468)	3,318	61	(3,737)	(6,592)	2,855	43
Profit/(Loss) Before Tax	(2,150)	(5,468)	3,318	61	(3,739)	(6,592)	2,853	43
Profit/(Loss) After Tax	(2,150)	(5,468)	3,318	61	(3,739)	(6,592)	2,853	43

## 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 is higher than previous year mainly due to border restriction were lifted during the year.

This segment recorded loss before tax of RM2.15 million for current quarter and RM3.74 million for current year, lower loss as compared to RM5.47 million in the corresponding quarter in preceding year and RM6.59 million in preceding year respectively, mainly due to impairment loss on intangible assets of RM4.28 million in previous year which is none in current year, mitigated by higher marketing expenses in promoting the business in licensed money changer as well as EFX platform while pending border restriction of foreign countries to be gradually lifted during the year.

### Non-electronic Payment Services Segment

	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	30.11.2022	30.11.2021	RM'000	%	30.11.2022	30.11.2021	RM'000	%
<b>Non -Electronic Payment Segment</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	4,936	4,006	930	19	6,828	4,006	2,822	41
Gross Profit	580	122	458	79	666	122	544	82
Profit/(Loss) Before Interest and Tax	308	(223)	531	238	(374)	(2,175)	1,801	83
Profit/(Loss) Before Tax	306	(225)	531	236	(381)	(2,180)	1,799	83
Profit/(Loss) After Tax	306	(221)	527	238	(381)	(2,180)	1,799	83

Currently Non-electronic payment services segment only supplies network equipment and infrastructure on a confirmed project basis.

As compared to loss before tax of RM0.23 million in the corresponding quarter in previous year, this quarter recorded a profit before tax of RM0.31 million mainly due to due to higher gross profit and revenue achieved.

For year ended 30 November 2022, this segment recorded loss before tax of RM0.38 million, lower loss as compared to RM2.18 million in preceding year, mainly due to higher revenue and gross profit, realised forex gain of RM0.25 million and lower general administration & depreciation expenses.

## B1 PERFORMANCE REVIEW (CONTINUED)

### GEM Segment

	Individual Quarter				Cumulative Quarter			
	Ended 30.11.2022 RM'000	Ended 30.11.2021 RM'000	Changes		Ended 30.11.2022 RM'000	Ended 30.11.2021 RM'000	Changes	
GEM			RM'000	%			RM'000	%
Revenue	557	748	(191)	(26)	2,970	6,606	(3,636)	55
Gross Profit	267	62	205	331	896	982	(86)	9
Loss Before Interest and Tax	(5,905)	(2,610)	(3,295)	126	(8,187)	(4,901)	(3,286)	67
Loss Before Tax	(5,905)	(2,610)	(3,295)	126	(8,187)	(4,901)	(3,286)	67
Loss After Tax	(5,905)	(2,610)	(3,295)	126	(8,187)	(4,901)	(3,286)	67

GEM segment achieved revenue of RM0.56 million in current quarter and RM2.97 million in current year. As compared to RM0.75 in the corresponding quarter in previous year and RM6.61 million in preceding year, lower revenue 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 reported a loss before tax of RM5.91 million in current quarter and RM8.19 million in current year, as compared to RM2.61 million in corresponding quarter in previous year and RM4.90 million in preceding year, mainly due to higher marketing and operating expenses, as well as impairment loss on intangible assets of RM3.42 million in current year against intangible assets written off (net) of RM1.02 million in previous year.

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

	Current Quarter	Preceding Quarter	Changes	
	Ended 30.11.2022 RM'000	Ended 31.08.2022 RM'000	RM'000	%
<b>Group Results</b>				
Revenue	7,187	3,711	3,476	94
Gross Profit	2,139	1,179	960	81
Profit/(Loss) Before Interest and Tax	(9,483)	(2,428)	(7,055)	(291)
Profit/(Loss) Before Tax	(10,286)	(2,872)	(7,414)	(258)
Profit/(Loss) After Tax	(10,286)	(2,872)	(7,414)	(258)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	(10,025)	(2,710)	(7,315)	(270)

The Group recorded revenue of RM7.19 million in current quarter, higher as compared to RM3.71 million in previous quarter mainly due to 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 RM10.29 million in current quarter, higher loss as compared to RM2.87 million in previous quarter, mainly due to higher operating and administrative expenses by RM4.13 million, impairment loss on intangible assets of RM3.42 million in current quarter, unrealized forex loss of RM1.13 million in current quarter against forex gain of RM2.18 million in previous quarter, mitigated by higher revenue and gross profit, and lower loss in fair value adjustment on investment in public listed company by RM3.15 million.

## **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. Furthermore, eMicro has launched collateral financing to it's customers, with collateral, eMicro able to lower the risk of default even further and will be able to lend out bigger loan amount depending on the value of the collateral.

The Group is still actively collaborating with it's business partners to deploy the EDC terminals and secure more merchants for it's electronic payment services business.

### Money Services Segment

While the Group is still pending the approval from Bank Negara Malaysia for the digital platform which offers travelers with an option to purchase and sell 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. The group foresee that once it has obtained the approval from Bank Negara Malaysia for the digital platform, the transaction volume will grow significantly.

### 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.

### **B3 FUTURE PROSPECTS (CONTINUED)**

#### GEM Segment

GemSpot has seen steady increase in event enquiries since the soft launch. This is also in line with the improvements in labour market and income conditions and consumers become more willing to spend. These enquiries are also a result of exposure through billboard and social media advertising. GemSpot billboards were lived at 12 prominent locations throughout Klang Valley.

Consistent social media ads were also lived since September 2022, to increase the awareness of GemSpot and its services. In Q4 2022, GemSpot social media ads reached 78,226 people and received 282 enquiries.

Besides social media enquiries, GemSpot also completed Christmas decoration project for several F&B venue clients. There is a huge demand in festive decorations for venues. We are targeting to get more festive venue decoration projects as well as decoration for new launch F&B outlets. There is also a growing demand for wedding proposal as well as wedding reception decoration.

GemSpot decorations projects are usually done in collaboration with Miss J Florist. Miss J Florist retail store opened in October 2022. Prior to the store opening, awareness for Miss J Florist was also built through social media ads, social media posts and electronic newsletters. Miss J Florist social media ads in Q4 2022 has reached 143,887 people with 289 enquiries.

There are concerns that the global economic outlook remains uncertain and challenging in 2023, with geopolitical conflicts suppressing growth. Nevertheless, both GemSpot and Miss J services will still be relevant as people will continue to celebrate occasions with decorations and gifts.

#### 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 2023.

### **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
	30.11.2022	30.11.2021	30.11.2022	30.11.2021
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is stated after charging :-				
Amortisation of intangible assets	283	300	990	1,191
Bad debts written off	-	-	10	49
Depreciation of plant and equipment	630	578	2,378	2,291
Depreciation of investment properties	355	220	1,405	262
Depreciation of right-of-use assets	50	43	202	160
Fair value losses on other investments	79	1,648	4,561	3,247
Fair value losses on short-term investment	-	-	-	24
Impairment losses on other investment	-	18	-	18
Impairment losses on intangible assets	3,418	4,285	3,418	4,285
Impairment losses on trade receivables	842	17	842	-
Intangible assets written off	-	1,023	-	1,023
Interest expenses	803	369	2,160	466
Inventory written off	8	2	9	2
Loss on foreign exchange - realised	-	11	-	-
Loss on foreign exchange - unrealised	1,131	-	-	-
Plant and equipment written off	-	-	18	1
Loss on disposal of other investment	-	17	-	6,648
<i>and crediting :-</i>				
Gain on foreign exchange - realised	267	-	523	140
Gain on foreign exchange - unrealised	-	845	5,515	3,461
Gain on disposal of short-term investment	1	-	16	-
Interest income	1,142	68	1,149	857
Dividend income	-	126	57	634
Rental income	86	188	289	294
Reversal of impairment gain on trade receivables	2	-	17	18
Fair value gain on short-term investment	57	2	221	-

## B6 TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year Ended	Preceding Year Ended
	30.11.2022	30.11.2021	30.11.2022	30.11.2021
	RM'000	RM'000	RM'000	RM'000
Current period				
- Income taxation	-	(3)	-	1
- Deferred taxation	-	(6)	-	(6)
Total	-	(9)	-	(5)

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. On 8 December 2022, an application has been submitted to Bursa Securities to seek their approval for a further extension of time of six (6) months from 24 December 2022 up to 23 June 2023 for the Company to complete the implementation of the Private Placement. As of todate, the said application is still pending for the approval from Bursa Securities.

## 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.

## B8 STATUS OF UTILISATION OF PROCEEDS (CONTINUED)

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

MPEX has been enhanced to be a P2P digital wallet and currency exchange application that allows users to exchange currencies at competitive commission rates. MPEX has been renamed as eFX application. The balance of proceeds available will be channelled towards the development and marketing of eFX application.

<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 eFX System	20,000	9,593	10,407	Within 72 months
Working Capital	323	323	-	Within 24 months
Expenses for the Share Issuance	780	780	-	Immediate
	<u>21,103</u>	<u>10,696</u>	<u>10,407</u>	

### 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.

<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>
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>	

### 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.

**B8 STATUS OF UTILISATION OF PROCEEDS (CONTINUED)****C) PRIVATE PLACEMENT OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES TO THIRD PARTY INVESTOR(S) (CONTINUED)**

<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>
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>	

**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.

<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>
Development of a F&B e-commerce platform	5,000	5,000	-	Within 18 months
Marketing of GemSpot and GemSpot Lite	25,000	1,733	23,267	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	15,754	9,246	Within 36 months
Working capital	17,498	14,153	3,345	Within 36 months
Expenses for the Right Issue	900	900	-	Immediate
	<u>81,398</u>	<u>37,540</u>	<u>43,858</u>	

## B9 GROUP BORROWINGS AND DEBT SECURITIES

	<b>As at 30.11.2022 Unaudited RM'000</b>	<b>As at 30.11.2021 Audited RM'000</b>
<b>Short term borrowing</b>		
Term loan - Secured	<u>5,521</u>	<u>2,265</u>
<b>Long term borrowing</b>		
Term loan - Secured	<u>26,621</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 ended 30 November 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:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Quarter Ended 30.11.2022</b>	<b>Preceding Year Corresponding Quarter Ended 30.11.2021</b>	<b>Current Year Ended 30.11.2022</b>	<b>Preceding Year Ended 30.11.2021</b>
Net profit/(loss) attributable to owners of the parent (RM)	<u>(10,025,000)</u>	<u>(8,828,000)</u>	<u>(16,102,000)</u>	<u>(20,792,000)</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>(1.20)</u>	<u>(1.06)</u>	<u>(1.93)</u>	<u>(2.49)</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 30 November 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.