

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR CURRENT QUARTER AND YEAR TO DATE ENDED 31 MAY 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/05/2023 RM'000	PRECEDING YEAR QUARTER 31/05/2022 RM'000	CURRENT YEAR TO DATE 31/05/2023 RM'000	PRECEDING YEAR TO DATE 31/05/2022 RM'000
REVENUE	3,911	1,152	6,149	2,739
COST OF SALES	(2,316)	(563)	(3,328)	(1,677)
GROSS PROFIT	1,595	589	2,821	1,062
OTHER INCOME	4,422	5,236	5,700	5,462
ADMINISTRATION EXPENSES	(5,985)	(3,888)	(11,743)	(7,870)
OTHER OPERATING EXPENSES	(8)	(1,547)	(7)	(1,141)
PROFIT / (LOSS) FROM OPERATIONS	24	390	(3,229)	(2,487)
FINANCE COST	(469)	(452)	(959)	(913)
PROFIT / (LOSS) BEFORE TAX	(445)	(62)	(4,188)	(3,400)
INCOME TAX EXPENSES	-	-	-	-
NET PROFIT / (LOSS) FOR THE PERIOD	(445)	(62)	(4,188)	(3,400)
OTHER COMPREHENSIVE INCOME / (LOSS)	(1,684)	(1,692)	(1,975)	(1,709)
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD	(2,129)	(1,754)	(6,163)	(5,109)
NET PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE COMPANY	(640)	(183)	(4,397)	(3,367)
NON-CONTROLLING INTEREST	195	121	209	(33)
	(445)	(62)	(4,188)	(3,400)
	-	-	-	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	(2,179)	(1,729)	(6,208)	(4,949)
NON-CONTROLLING INTEREST	50	(25)	45	(160)
	(2,129)	(1,754)	(6,163)	(5,109)
	-	-	-	-
EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY :				
Basic (sen)	(0.08)	(0.02)	(0.53)	(0.40)

*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 2022 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 MAY 2023**

	<b>AS AT 31/05/2023 Unaudited RM'000</b>	<b>AS AT 30/11/2022 Audited RM'000</b>
<b><u>ASSETS</u></b>		
<b><u>NON-CURRENT ASSETS</u></b>		
Plant and Equipment	2,212	2,925
Investment Properties	40,166	40,875
Right Of Use Assets	1,662	1,759
Intangible Assets	8,761	9,865
Other Investments	6,715	6,715
Goodwill on Consolidation	5,936	5,936
	<u>65,452</u>	<u>68,075</u>
<b><u>CURRENT ASSETS</u></b>		
Inventories	31	38
Trade Receivables	12,519	9,609
Other Receivables, Deposits and Prepayment	14,919	12,048
Contract Assets	690	1,304
Current Tax Assets	59	60
Short Term Investment	1,125	7,067
Cash and Bank Balances	57,056	62,888
	<u>86,399</u>	<u>93,014</u>
<b>TOTAL ASSETS</b>	<u>151,851</u>	<u>161,089</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	(4,838)	(3,027)
Accumulated Losses	(101,539)	(95,619)
	<u>118,726</u>	<u>126,457</u>
Non-Controlling Interest	(3,913)	(5,143)
<b>TOTAL EQUITY</b>	<u>114,813</u>	<u>121,314</u>
<b><u>NON-CURRENT LIABILITIES</u></b>		
Term Loan	23,569	26,617
Lease Liabilities	1,254	1,310
Deferred Tax Liability	127	127
	<u>24,950</u>	<u>28,054</u>
<b><u>CURRENT LIABILITIES</u></b>		
Trade Payables	974	950
Other Payables and Accruals	2,477	3,308
Contract Liabilities	2,218	1,477
Lease Liabilities	414	458
Term Loan	6,005	5,528
	<u>12,088</u>	<u>11,721</u>
<b>TOTAL LIABILITIES</b>	37,038	39,775
<b>TOTAL EQUITIES AND LIABILITIES</b>	<u>151,851</u>	<u>161,089</u>
	-	-
Net Assets per share attributable to owners of the Company (RM)	0.14	0.15

*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 2022 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 TO DATE ENDED 31 MAY 2023**

	← ATTRIBUTABLE TO OWNER OF THE PARENT →					TOTAL RM'000	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 2022</b>	205,877	-	19,226	(3,027)	(95,619)	126,457	(5,143)	121,314
Loss after taxation	-	-	-	-	(4,397)	(4,397)	209	(4,188)
Other Comprehensive loss:								
Foreign Currency translation reserve	-	-	-	(1,811)	-	(1,811)	(164)	(1,975)
Total Comprehensive loss for the financial year	-	-	-	(1,811)	(4,397)	(6,208)	45	(6,163)
Transactions with owners:								
Issuance of shares pursuant to Private Placement	-	-	-	-	-	-	-	-
Provision of SIS reserve	-	-	-	-	-	-	-	-
Issuance of shares pursuant to exercise of SIS	-	-	-	-	-	-	-	-
Issuance of ordinary shares in subsidiary	-	-	-	-	(1,523)	(1,523)	1,185	(338)
Total Transactions with owners:	-	-	-	-	(1,523)	(1,523)	1,185	(338)
<b>As at 31 May 2023</b>	<u>205,877</u>	<u>-</u>	<u>19,226</u>	<u>(4,838)</u>	<u>(101,539)</u>	<u>118,726</u>	<u>(3,913)</u>	<u>114,813</u>
<b>As at 1 December 2021</b>	205,877	-	19,226	(457)	(79,987)	144,659	(4,641)	140,018
Loss after taxation	-	-	-	-	(15,632)	(15,632)	(462)	(16,094)
Other Comprehensive loss:								
Foreign Currency translation reserve	-	-	-	(2,570)	-	(2,570)	(219)	(2,789)
Total Comprehensive loss for the financial year	-	-	-	(2,570)	(15,632)	(18,202)	(681)	(18,883)
Transactions with owners:								
Acquisition of 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>(3,027)</u>	<u>(95,619)</u>	<u>126,457</u>	<u>(5,143)</u>	<u>121,314</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 2022 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 TO DATE ENDED 31 MAY 2023**

	<b>CURRENT YEAR TO DATE 31/05/2023 RM'000</b>	<b>PRECEDING YEAR TO DATE 31/05/2022 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(4,188)	(3,400)
Adjustment for:		
Amortisation of intangible assets	1,537	465
Bad debts written off	-	10
Depreciation of plant and equipment	723	1,155
Depreciation of investment properties	709	695
Depreciation of right of use assets	101	101
Dividend income	-	(55)
Fair value (gain) / loss on other investments	-	1,251
Fair value (gain) / loss on short-term investment	(47)	(129)
(Gain)/loss on disposal of short term investments	(17)	-
Unrealised foreign exchange (gain)/loss	(4,654)	(4,468)
Impairment loss on trade receivables	8	-
Interest expense	959	913
Interest income	(8)	(2)
Inventories written off	1	-
Plant and equipment written off	-	18
Reversal of impairment losses on trade receivables	(2)	(12)
Operating (loss) / profit before working capital changes	<u>(4,878)</u>	<u>(3,458)</u>
Changes in contract assets / contract liabilities	1,355	16
(Increase) / decrease in inventories	7	(15)
(Increase) / decrease in receivables	(5,960)	(1,619)
Increase / (Decrease) in payables	1,734	(338)
Cash (used in) / generated from operations	<u>(7,742)</u>	<u>(5,414)</u>
Interest received	8	2
Tax refunded	5	4
Tax paid	(4)	(9)
Cash (used in) / generated from operations activities	<u>(7,733)</u>	<u>(5,417)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of intangible assets	(158)	(58)
Acquisition of subsidiary	(1,523)	-
Additions in other investments	-	(4,737)
Dividend received	-	55
Proceeds from disposal of investment	6	-
Proceeds from disposal of property, plant and equipment	-	-
Purchase of plant and equipment	(8)	(80)
Purchase of investment properties	-	(4,158)
Net cash (used in) / generated from investing activities	<u>(1,683)</u>	<u>(8,978)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(959)	(913)
Withdrawal / (Placement) of short-term investment	6,000	10,445
Proceed from issuance of shares	-	-
Repayment of lease liabilities	(105)	(97)
Repayment of term loans	(2,571)	(1,121)
Share issuance expenses	-	-
Non-controlling interests investment in a subsidiary	1,185	102
Net cash generated from financing activities	<u>3,550</u>	<u>8,416</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(5,866)</b>	<b>(5,979)</b>
Cash and cash equivalents at the beginning of the financial year	62,888	64,404
Effect of exchange differences	34	242
<b>Cash and cash equivalents at the end of the financial year</b>	<b><u>57,056</u></b>	<b><u>58,667</u></b>
Cash and cash equivalents comprise:		
Short term Investment	1,125	15,322
Cash and bank balances	57,056	58,667
Fixed deposit with licensed bank	-	-
	<u>58,181</u>	<u>73,989</u>
Less: Short term investment	(1,125)	(15,322)
Less: Deposits placed with licensed bank	-	-
	<u>57,056</u>	<u>58,667</u>
	-	-

*The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 November 2022 and the accompanying explanatory notes attached to the interim financial statements.*

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE CURRENT QUARTER AND YEAR  
TODATE ENDED 31 MAY 2023**

**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 the financial year ended 30 November 2022. 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 2022.

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 2022 except for the adoption of the following MFRS and Amendments to MFRSs:

<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
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>
MFRS 17 Insurance Contracts	1 January 2023

## A1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

<u>MFRSs and Amendments to MFRSs</u>		<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 17	Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101	Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current	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
Amendments to MFRS 10 and MFRS 128	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 May 2023.

## 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 May 2023.

## A5 DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during current quarter and year to date ended 31 May 2023 other than as disclosed below:

- 1) 83,596,700 new ordinary shares were under Private Placement on 8 June 2023.

## A6 DIVIDENDS PAID

No dividends were paid during current quarter and year to date ended 31 May 2023.

## **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 ended 31 May 2023 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 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 RM332,010.00 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.
- 2) On 16 January 2023, 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 4,000,000 RCPS in Emicro Capital (M) Sdn Bhd at issue price of RM1.00 per RCPS in multiple tranches. On 15 February 2023, Gem Pay Sdn Bhd, a subsidiary company has completed the subscription of First tranche of RCPS in Emicro Capital (M) Sdn Bhd, comprised of 1,000,000 RCPS of RM1.00 each pursuant to the new Shares Subscription Agreement dated 16 January 2023.
- 3) On 24 February 2023, EFX, a wholly-owned subsidiary company has completed the acquisition of shares in MMSB. The total equity interest of EFX in MMSB increased from 49% to 100% and MMSB becomes an indirect wholly-owned subsidiary of NetX.
- 4) On 1 March 2023, Netx acquired 40,000 ordinary shares in Gem Pay Sdn Bhd (“GPSB”), representing 0.69% equity interest of GPSB from the non-controlling shareholders for a total cash consideration of RM6,000.00 only. Upon Completion, the total equity interest of the Company in GPSB will be increased from 99.31% to 100%.
- 5) On 8 June 2023, 83,596,700 new ordinary shares were issued at an exercise price of RM0.045 each under Private Placement.

## **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**

- 1) During the financial year, the Company has announced on the following in relation to the increase of its issued and full-up ordinary share capital pursuant to the private placement:

An issuance of up to 83,596,700 new ordinary shares (“Placement Shares”), representing up to 10% of the total number of issued shares of the Company announced and issued on 8 June 2023 at an issue price of RM0.045 per Placement Share.

- 2) On 19 June 2023, 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 new Shares Subscription Agreement dated 16 January 2023.
- 3) On 22 June 2023, GEM Excite Sdn. Bhd., an indirect wholly-owned subsidiary of the Company, had entered into a Collaboration Agreement with Meimaii Technology Co. Ltd (“Meimaii”) to explore the collaboration with each other for the localisation and any required integration of Meimaii online platform in Malaysia and any other countries

## **A11 SEGMENTAL INFORMATION**

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

Electronic Payment Services and Money Services	: Involved in provision of payment terminal and payment solutions, money exchange services, and its related software licensing and services.
Money Lending	: Involved in provision of money lending business, trading of motor vehicle 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.
Investment Holding	: This segment comprise investment holding and dormant companies.



## A11 SEGMENTAL INFORMATION (CONTINUED)

	Electronic payment services RM'000	Non- electronic payment services RM'000	Money lending services RM'000	GEM RM'000	Investment Holding RM'000	Elimination RM'000	Total RM'000
<b>2023</b>							
<b>Revenue</b>							
External revenue	293	2,158	2,537	851	310	-	6,149
Inter-company	-		-	13	-	(13)	-
	293	2,158	2,537	864	310	(13)	6,149
<b>Results</b>							
Segment operating profit/(loss)	(2,427)	(609)	904	(3,693)	753	(3,850)	(8,922)
Other operating income							5,700
Other operating expenses							(7)
Finance costs							(959)
Loss before taxation							(4,188)
Tax expenses							-
Loss after taxation							(4,188)
Non-controlling interests							(209)
Loss attributable to owners of the Company							(4,397)
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>							
<b>Segments assets</b>	13,154	2,632	13,442	7,909	114,714	-	151,851
Total assets							151,851
<b>Segments liabilities</b>	2,439	3,826	141	518	29,987	-	36,911
Deferred tax liability							127
Total liabilities							37,038

**A11 SEGMENTAL INFORMATION (CONTINUED)**

	Electronic payment services RM'000	Non- electronic payment services RM'000	Money lending services RM'000	GEM RM'000	Investment Holding RM'000	Elimination RM'000	Total RM'000
<b>2022</b>							
<b>Revenue</b>							
External revenue	247	138	338	1,562	455	-	2,740
Inter-company	-	-	-	18	-	(19)	(1)
	247	138	338	1,580	455	(19)	2,739
<b>Results</b>							
Segment operating profit/(loss)	(1,589)	(778)	(170)	(1,553)	(2,753)	35	(6,808)
Other operating income							5,462
Other operating expenses							(1,141)
Finance costs							(913)
Loss before taxation							(3,400)
Tax expenses							-
Loss after taxation							(3,400)
Non-controlling interests							33
Loss attributable to owners of the Company							(3,367)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>Segments assets</b>	12,699	2,793	8,435	14,291	134,525	-	172,743
Total assets							172,743
<b>Segments liabilities</b>	703	2,877	169	462	33,388	-	37,599
Deferred tax liability							133
Total liabilities							37,732

**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	
	31.05.2023	31.05.2022	RM'000	%	31.05.2023	31.05.2022	RM'000	%
Revenue	3,911	1,152	2,759	239	6,149	2,739	3,410	124
Gross Profit	1,595	589	1,006	171	2,821	1,062	1,759	166
Profit/(Loss) Before Interest and Tax	24	390	(366)	(94)	(3,229)	(2,487)	(742)	30
Profit/(Loss) Before Tax	(445)	(62)	(383)	618	(4,188)	(3,400)	(788)	23
Profit/(Loss) After Tax	(445)	(62)	(383)	618	(4,188)	(3,400)	(788)	23
Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	(640)	(183)	(457)	250	(4,397)	(3,367)	(1,030)	31

For the current quarter and year to-date ended 31 May 2023, the Group registered revenue of RM3.91 million and RM6.15 million, higher revenue compared to RM1.15 million in the corresponding quarter in previous year and RM2.74 million in preceding year to-date, mainly due to higher revenue contributed by money lending business and non-electronic payment services mitigate by lower revenue generated from GEM segment, as GEM pivoted into the events industry due to the saturated market and fear competition in the food delivery business and lower sales in gift deliveries.

This segment reported a loss before tax of RM0.45 million in current quarter and RM4.19 million in current year to-date, as compared to RM0.06 million in corresponding quarter in previous year and RM3.40 million in preceding year to-date, mainly due to higher operating expenses on GEM E-Commerce application and amortisation of intangible assets on eFX Platform and mitigate by unrealised gain on foreign exchange.

#### Electronic Payment Services and Money Services Segment

Electronic Payment Segment	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.05.2023	31.05.2022	RM'000	%	31.05.2023	31.05.2022	RM'000	%
Revenue	204	93	111	119	293	247	46	19
Gross Profit	199	51	148	290	281	90	191	212
Profit/(Loss) Before Interest and Tax	(1,483)	(704)	(779)	111	(2,168)	(1,435)	(733)	51
Profit/(Loss) Before Tax	(1,483)	(705)	(778)	110	(2,168)	(1,436)	(732)	51
Profit/(Loss) After Tax	(1,483)	(705)	(778)	110	(2,168)	(1,436)	(732)	51

The revenue in this segment was contributed by the sales and maintenance of payments terminal from Electronic Payment Services Segment and net proceeds upon sales of foreign currencies from licensed money changer under Money Services Segment.

## B1 PERFORMANCE REVIEW (CONTINUED)

### Electronic Payment Services and Money Services Segment (Continued)

For the current quarter and year to-date ended 31 May 2023, this segment registered revenue of RM0.20 million and RM0.29 million respectively, higher revenue as compared to RM0.09 million in the corresponding quarter in previous year and RM0.25 million in preceding year to-date, mainly due to higher sales of foreign currencies from licensed money changer under Money Services Segment.

The gross profit margin improved from 55% in the corresponding quarter in previous year and 36% in preceding year to-date to 98% in the current quarter and 96% in current year to-date, mainly due to a higher gross profit margin in Money Services Segment.

This segment reported a loss before tax of RM1.49 million in current quarter and RM2.17 million in current year to-date, as compared to RM0.71 million in corresponding quarter in previous year and RM1.44 million in preceding year to-date, mainly due to the amortisation of intangible assets on eFX Platform in the current quarter.

### Money Lending Segment

	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.05.2023	31.05.2022	RM'000	%	31.05.2023	31.05.2022	RM'000	%
<b>Money Services 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	1,526	246	1,280	84	2,537	338	2,199	(87)
Gross Profit	805	187	618	77	1,518	267	1,251	82
Profit/(Loss) Before Interest and Tax	340	(114)	454	398	620	(272)	892	328
Profit/(Loss) Before Tax	340	(114)	454	398	619	(273)	892	327
Profit/(Loss) After Tax	340	(114)	454	398	619	(273)	892	327

For the current quarter and year to-date ended 31 May 2023, this segment reported revenue of RM1.53 million and RM2.54 million respectively, higher revenue as compared to RM0.25 million in corresponding quarter in previous year and RM0.34 million in preceding year to-date respectively, mainly due to the expansion in the money lending segment, resulting in higher revenue from loan disbursements to car dealer, used motor vehicle financing, and trading of motor vehicle.

As compared to loss before tax of RM0.11 million in corresponding quarter in previous year and RM0.27 million in preceding year to-date, this quarter recorded a profit before tax of RM0.34 million and RM0.62 million in current year to-date, mainly due to higher revenue and interest earned from money lending business.

## B1 PERFORMANCE REVIEW (CONTINUED)

### Non-electronic Payment Services Segment

	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.05.2023	31.05.2022	RM'000	%	31.05.2023	31.05.2022	RM'000	%
Non -Electronic Payment Segment	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	1,798	54	1,744	97	2,158	138	2,020	94
Gross Profit	397	5	392	99	414	8	406	98
Profit/(Loss) Before Interest and Tax	81	(131)	212	162	(562)	(499)	(63)	13
Profit/(Loss) Before Tax	80	(133)	213	160	(564)	(503)	(61)	12
Profit/(Loss) After Tax	80	(133)	213	160	(564)	(503)	(61)	12

The revenue in this segment was contributed by sales of supplies network equipment and infrastructure on a confirmed project basis.

For the current quarter and year to-date ended 31 May 2023, this segment reported revenue of RM1.80 million and RM2.16 million respectively, higher revenue as compared to RM0.05 million in the corresponding quarter in previous year and RM0.14 million in preceding year to-date, mainly due to securing more projects in the current quarter.

As compared to loss before tax of RM0.13 million in corresponding quarter in previous year, this quarter recorded a profit before tax of RM0.08 million for current quarter, mainly due to higher gross profit and revenue achieved.

For the 6 months ended 31 May 2023, this segment recorded loss before tax of RM0.56 million, slightly higher loss as compared to RM0.50 million in the preceding year to-date, mainly due to higher general administration expenses.

### GEM Segment

	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.05.2023	31.05.2022	RM'000	%	31.05.2023	31.05.2022	RM'000	%
GEM	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	226	526	(300)	(57)	864	1,580	(716)	45
Gross Profit	82	142	(60)	42	392	334	58	17
Loss Before Interest and Tax	(1,683)	(759)	(924)	122	(3,693)	(1,547)	(2,146)	139
Loss Before Tax	(1,683)	(759)	(924)	122	(3,693)	(1,547)	(2,146)	139
Loss After Tax	(1,683)	(759)	(924)	122	(3,693)	(1,547)	(2,146)	139

For the current quarter and year to-date ended 31 May 2023, GEM segment registered revenue of RM0.23 million and RM0.86 million respectively, lower revenue as compared to RM0.53 million in the corresponding quarter in previous year and RM1.58 million in preceding year to-date, mainly due to GEM pivoted into the events industry because of the saturated market and fear competition in the food delivery business and lower sales in gift deliveries.

## B1 PERFORMANCE REVIEW (CONTINUED)

### GEM Segment (Continued)

The gross profit margin improved from 27% in the corresponding quarter in previous year and 21% in preceding year to-date to 36% in the current quarter and 45% in current year to-date, mainly due to a higher gross profit margin in event planning & celebration and e-commerce services.

However, this segment reported a loss before tax of RM1.68 million in current quarter and RM3.69 million in current year to-date, as compared to RM0.76 million in corresponding quarter in previous year and RM1.55 million in preceding year to-date, mainly due to higher marketing and operating expenses, and the subscription of the E-commerce platform.

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

	Current Quarter	Preceding Quarter	Changes	
	Ended 31.05.2023 RM'000	Ended 28.02.2023 RM'000		
<b>Group Results</b>				
Revenue	3,911	2,238	1,673	75
Gross Profit	1,595	1,226	369	30
Profit/(Loss) Before Interest and Tax	24	(3,253)	3,277	101
Profit/(Loss) Before Tax	(445)	(3,743)	3,298	88
Profit/(Loss) After Tax	(445)	(3,743)	3,298	88
Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	(640)	(3,757)	3,117	83

The Group registered revenue of RM3.91 million in current quarter, higher revenue as compared to RM2.24 million in preceding quarter, mainly due to the higher revenue from sales of network equipment and infrastructure in Non-electronic Payment Services Segment and expansion in the money lending segment, resulting in higher revenue from loan disbursements.

The Group recorded loss before tax of RM0.45 million in current quarter, lower losses as compared to RM3.74 million in preceding quarter, mainly due to higher unrealised forex gain by RM3.16 million, lower marketing and administrative expenses by RM1.03 million, mitigated by amortisation of intangible assets of RM0.98 million in the current quarter.

## B3 FUTURE PROSPECTS

### Electronic Payment Services and Money Services Segment

According to mytourismdata, the total tourist arrivals into Malaysia from January 2022 to September 2022 is 5,556,281. The Group estimated that the total tourist arrivals into Malaysia will be at least half of what the data is showing before the Pandemic which is more than 25 million.

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

#### Electronic Payment Services and Money Services Segment (Continued)

In the end of 2022, The Group has received approvals from Bank Negara Malaysia to operate a physical money changer outlet in Sungei Wang Plaza. Sungei Wang Plaza is located right in the center of the Golden Triangle. Furthermore, the KL Hop-On Hop-Off bus ticketing counter is just right in front of Sungei Wang Plaza. The Group believes that this will generate a very good revenue to The Group once the outlet is opened. The Group expecting the outlet to be open by Q3 of 2023.

While for EFX Platform, The Group is currently still in the discussion with Bank Negara Malaysia to obtain the approval to launch it in Malaysia.

For Electronic Payment Services, 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 Lending Segment

With eMicro years of experiences and technology capability, eMicro able to maintain a very low default rate in 2022. As The Group foresee that there is a potential recession in 2023 due to the global inflation and war between Russia and Ukraine, The Group has launched collateral financing to it's customers. The Group will request for collateral from the borrower if The Group identifies the borrower to be higher risk. Furthermore, The Group will also request for corporate and director guarantee from the borrower for SME loan products to lower the risk of default.

#### 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

After seeing the strong rebound of Malaysia economy in 2022, growth momentum is expected to moderate in 2023 due to base year effects and the slowdown of merchandise exports. However, the domestic segment is expected to remain strong due to improvements in the labor market conditions. This has helped the Malaysian services sector to grow 7.7% year on year in the first quarter of 2023.

In Q2 of 2023, Miss J Florist were kept busy with strings of festive celebrations such as Hari Raya hamper orders, Mother's Day, 520 Chinese Valentine's Day and Father's Day celebration. Through consistent introduction of new series of products, Miss J Florist's social media organic followers has increased by 56%.

2023 sees a huge demand for wedding events. Not missing out on this great opportunity, Miss J Florist also introduced a new bridal bouquet collection. An increased investment into Google Ads for better optimization has returned more than 2 million impressions with more than 48,000 new user visits to Miss J's website. Digital campaigns are also optimizing better month on month showing a steady increase of orders from the ads.

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

#### GEM Segment (Continued)

Leveraging on the growing demands for events services, Miss J Events have been busy with birthday, launches and wedding events. Participating in the KLPJ Wedding Fair in May 2023 with a collaboration between Miss J and Oversea Restaurant by offering wedding decoration packages has helped increase brand exposure to the market on Miss J's services for wedding deco. Both Miss J Florist and Miss J Events will continue this wedding event collaboration with Oversea Restaurant and participate in the upcoming wedding fair in September while looking for more wedding venues and restaurants to collaborate with.

#### Meimaii

The Group has entered into a collaboration agreement on 22<sup>nd</sup> June 2023 with Meimaii Technology Co. Ltd ("Meimaii") to launch Meimaii online platform in Malaysia. Meimaii is Taiwan's leading Social eCommerce platform.

Social eCommerce refers to buying and selling products or services through social media platforms. It combines the elements of social media and eCommerce to create a seamless shopping experience. Instead of solely relying on traditional online stores or physical retail locations, social commerce allows users to discover, engage with, and purchase products directly within their favorite social media apps or websites.

Meimaii is a Social eCommerce platform that is very different from the other Social eCommerce platforms. Meimaii is the first platform that combines both Group Buy and Influencer Marketing together. Meimaii's AI will matchmake the hottest influencer with the most popular products available in the market. By leveraging the influencer's wide reach of audience, brand owners will be able to target the very specific group of customers that they wanted to sell to. By selling through Meimaii's platform, brand owners will be able to achieve their sales target & brand awareness easily.

Overall, social commerce leverages the power of social media and its vast user networks to facilitate buying and selling, making it a popular and rapidly growing trend in the world of online shopping.

Malaysia has experienced remarkable growth in eCommerce, with a significant rise in online shopping activities and digital adoption. By joining forces with Meimaii Social eCommerce, NetX aims to leverage the tremendous potential of Malaysia's eCommerce market, reaching a tech-savvy audience seeking innovative shopping experiences.

According to a report from Accenture, Social eCommerce will grow three times as fast as traditional eCommerce, more than doubling from \$492 billion worldwide in 2021 to \$1.2 trillion in 2025. Whilst according to Statista, Social eCommerce in Asia will reach \$458.8 billion by 2023.

The benefits of this collaboration with Meimaii Social eCommerce are numerous and exciting. Here are some key advantages that NetX and their valued customers can look forward to:



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

#### Meimaii (Continued)

- **Rapidly Growing Market:** Malaysia's eCommerce market has witnessed exponential growth in recent years, driven by increased internet penetration and mobile device usage. Collaborating with Meimaii Social eCommerce positions NetX to capitalize on this thriving market, catering to the evolving needs and preferences of Malaysian consumers.
- **Influencer Partnerships:** Meimaii is renowned for its influencer marketing potential. Through strategic collaborations with influential creators, brand owners can tap into their dedicated fan bases and leverage their reach to generate brand awareness and drive traffic to their products. This collaboration opens up new avenues for brand ambassadors and collaborations with popular content creators.
- **AI Analysis of Influencer's Fan Base Capability:** Through AI-powered analytics, Meimaii can gain valuable insights into the fan bases of influencers in Malaysia. This analysis helps Meimaii identify the most relevant and impactful influencers whose audience aligns with the brands target market. By matchmaking with these influencers, we can maximize the reach and effectiveness of brand messaging and drive higher conversion rates such as ROAS (Return on Ad Spend).

#### 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
	31.05.2023	31.05.2022	31.05.2023	31.05.2022
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is stated after charging :-				
Amortisation of intangible assets	1,260	235	1,537	465
Bad debts written off	-	10	-	10
Depreciation of plant and equipment	309	580	723	1,155
Depreciation of investment properties	354	354	709	695
Depreciation of right-of-use assets	50	50	101	101
Fair value losses on other investments	-	1,617	-	1,251
Impairment losses on trade receivables	8	-	8	-
Interest expenses	469	452	959	913
Inventory written off	-	-	1	-
Loss on foreign exchange - realised	114	-	114	-
Plant and equipment written off	-	-	-	18
<i>and crediting :-</i>				
Gain on foreign exchange - realised	-	3	-	6
Gain on foreign exchange - unrealised	3,910	4,814	4,654	4,468
Gain on disposal of short-term investment	4	-	17	-
Interest income	-	1	8	2
Dividend income	-	8	-	55
Rental income	86	80	170	132
Reversal of impairment gain on trade receivables	1	9	2	12
Fair value gain on short-term investment	12	71	47	129

## B6 TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year Ended	Preceding Year Ended
	31.05.2023	31.05.2022	31.05.2023	31.05.2022
	RM'000	RM'000	RM'000	RM'000
Current period				
- Income taxation	-	-	-	-
- Deferred taxation	-	-	-	-
Total	-	-	-	-

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. On 7 February 2023, Bursa Securities further approved the extension of completion of the private placement to 23 June 2023.

83,596,700 new ordinary shares were issued on 8 June 2023 at an exercise price of RM0.045 each.

## 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 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	10,850	9,150	Within 72 months
Working Capital	323	323	-	Within 24 months
Expenses for the Share Issuance	780	780	-	Immediate
	<u>21,103</u>	<u>11,953</u>	<u>9,150</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.

<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.

<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>	

## 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.

<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	2,286	22,714	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	20,619	4,381	Within 36 months
Working capital	17,498	17,498	-	Within 36 months
Expenses for the Right Issue	900	900	-	Immediate
	<u>81,398</u>	<u>46,303</u>	<u>35,095</u>	

## B9 GROUP BORROWINGS AND DEBT SECURITIES

	<b>As at 31.05.2023 Unaudited RM'000</b>	<b>As at 30.11.2022 Audited RM'000</b>
<b>Short term borrowing</b>		
Term loan - Secured	<u>6,005</u>	<u>5,528</u>
<b>Long term borrowing</b>		
Term loan - Secured	<u>23,569</u>	<u>26,617</u>

The term loans is denominated in Ringgit Malaysia and the interest rate of the term loan at the reporting date is 5.06% to 6.20% per annum.

## B10 DIVIDEND PAYABLE

No dividend was declared or paid in quarter and year ended 31 May 2023.

## 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 Ended	Preceding Year Ended
	31.05.2023	31.05.2022	31.05.2023	31.05.2022
Net profit/(loss) attributable to owners of the parent (RM)	<u>(640,000)</u>	<u>(183,000)</u>	<u>(4,397,000)</u>	<u>(3,367,000)</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>(0.08)</u>	<u>(0.02)</u>	<u>(0.53)</u>	<u>(0.40)</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 May 2023 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 2022 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.