

**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 AUGUST 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/08/2023 RM'000	PRECEDING YEAR QUARTER 31/08/2022 RM'000	CURRENT YEAR TO DATE 31/08/2023 RM'000	PRECEDING YEAR TO DATE 31/08/2022 RM'000
REVENUE	4,447	3,711	10,596	6,450
COST OF SALES	(917)	(2,532)	(4,276)	(4,210)
GROSS PROFIT	3,530	1,179	6,320	2,240
OTHER INCOME	3,365	3,317	9,065	8,779
ADMINISTRATION EXPENSES	(5,851)	(3,718)	(17,563)	(11,588)
OTHER OPERATING EXPENSES	(187)	(3,206)	(194)	(4,346)
PROFIT / (LOSS) FROM OPERATIONS	857	(2,428)	(2,372)	(4,915)
FINANCE COST	(447)	(444)	(1,406)	(1,357)
PROFIT / (LOSS) BEFORE TAX	410	(2,872)	(3,778)	(6,272)
INCOME TAX EXPENSES	-	-	-	-
NET PROFIT / (LOSS) FOR THE PERIOD	410	(2,872)	(3,778)	(6,272)
OTHER COMPREHENSIVE INCOME / (LOSS)	(223)	(1,175)	(2,198)	(2,884)
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD	187	(4,047)	(5,976)	(9,156)
NET PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE COMPANY	345	(2,710)	(4,052)	(6,077)
NON-CONTROLLING INTEREST	65	(162)	274	(195)
	410	(2,872)	(3,778)	(6,272)
	-	-	-	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	136	(3,791)	(6,072)	(8,740)
NON-CONTROLLING INTEREST	51	(256)	96	(416)
	187	(4,047)	(5,976)	(9,156)
EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY :				
Basic (sen)	0.04	(0.32)	(0.47)	(0.73)

*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 AUGUST 2023**

	<b>AS AT 31/08/2023 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	3,079	2,925
Investment Properties	39,811	40,875
Right off Use Assets	1,711	1,759
Intangible Assets	7,472	9,865
Other Investments	9,080	6,715
Goodwill on Consolidation	5,936	5,936
	<u>67,089</u>	<u>68,075</u>
<b><u>CURRENT ASSETS</u></b>		
Inventories	38	38
Trade Receivables	14,204	9,609
Other Receivables, Deposits and Prepayment	12,636	12,048
Contract Assets	625	1,304
Current Tax Assets	59	60
Short Term Investment	-	7,067
Cash and Bank Balances	63,883	62,888
	<u>91,445</u>	<u>93,014</u>
<b>TOTAL ASSETS</b>	<u><u>158,534</u></u>	<u><u>161,089</u></u>
<b><u>EQUITIES AND LIABILITIES</u></b>		
<b><u>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</u></b>		
Share Capital	209,639	205,877
Warrant Reserve	19,226	19,226
Foreign Exchange Reserve	(5,046)	(3,027)
Accumulated Losses	(101,195)	(95,619)
	<u>122,624</u>	<u>126,457</u>
Non-Controlling Interest	(3,863)	(5,143)
<b>TOTAL EQUITY</b>	<u>118,761</u>	<u>121,314</u>
<b><u>NON-CURRENT LIABILITIES</u></b>		
Term Loan	22,097	26,617
Lease Liabilities	1,339	1,310
Deferred Tax Liability	127	127
	<u>23,563</u>	<u>28,054</u>
<b><u>CURRENT LIABILITIES</u></b>		
Trade Payables	645	950
Other Payables and Accruals	7,232	3,308
Contract Liabilities	1,948	1,477
Lease Liabilities	376	458
Term Loan	6,009	5,528
	<u>16,210</u>	<u>11,721</u>
<b>TOTAL LIABILITIES</b>	<u>39,773</u>	<u>39,775</u>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<u><u>158,534</u></u>	<u><u>161,089</u></u>
Net Assets per share attributable to owners of the Company (RM)	0.13	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 AUGUST 2023**

	←——— ATTRIBUTABLE TO OWNER OF THE COMPANY ———→				TOTAL RM'000	NON CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
	SHARE CAPITAL 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	-	-		(4,052)	(4,052)	274	(3,778)
Other Comprehensive loss:							
Foreign Currency translation reserve	-	-	(2,019)	-	(2,019)	(179)	(2,198)
Total Comprehensive loss for the financial year	-	-	(2,019)	(4,052)	(6,071)	95	(5,976)
Transactions with owners:							
Issuance of shares pursuant to Private Placement	3,762	-	-	-	3,762	-	3,762
Provision of SIS reserve	-	-	-	-	-	-	-
Issuance of shares pursuant to exercise of SIS	-	-	-	-	-	-	-
Issuance of ordinary shares in subsidiary	-	-	-	(1,524)	(1,524)	1,185	(339)
Total Transactions with owners:	3,762	-	-	(1,524)	2,238	1,185	3,423
<b>As at 31 August 2023</b>	<u>209,639</u>	<u>19,226</u>	<u>(5,046)</u>	<u>(101,195)</u>	<u>122,624</u>	<u>(3,863)</u>	<u>118,761</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>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 AUGUST 2023**

	<b>CURRENT YEAR TO DATE 31/08/2023 RM'000</b>	<b>PRECEDING YEAR TO DATE 31/08/2022 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(3,778)	(6,272)
Adjustment for:		
Amortisation of intangible assets	2,833	707
Bad debts written off	-	10
Depreciation of plant and equipment	1,062	1,748
Depreciation of investment properties	1,064	1,050
Depreciation of right of use assets	152	152
Dividend income	-	(57)
Fair value (gain) / loss on other investments	186	4,482
Fair value (gain) / loss on short-term investment	(47)	(164)
(Gain)/loss on disposal of short term investments	(17)	(16)
Unrealised foreign exchange (gain)/loss	(5,133)	(6,647)
Impairment loss on trade receivables	8	-
Interest expense	1,406	1,357
Interest income	(2,250)	(7)
Inventories written off	1	1
Plant and equipment written off	-	18
Reversal of impairment losses on trade receivables	(4)	(15)
Operating (loss) / profit before working capital changes	<u>(4,517)</u>	<u>(3,653)</u>
Changes in contract assets / contract liabilities	1,150	9
(Increase) / decrease in inventories	-	(21)
(Increase) / decrease in receivables	(5,260)	(7,360)
Increase / (Decrease) in payables	6,659	1,673
Cash (used in) / generated from operations	<u>(1,968)</u>	<u>(9,352)</u>
Interest received	2,250	7
Tax refunded	5	4
Tax paid	(4)	(13)
Cash (used in) / generated from operations activities	<u>283</u>	<u>(9,354)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of intangible assets	(158)	(98)
Acquisition of subsidiary	(1,523)	-
Additions in other investments	(2,475)	(4,804)
Dividend received	-	57
Proceeds from disposal of investment	7	16
Proceeds from disposal of property, plant and equipment	1	-
Purchase of plant and equipment	(1,213)	(126)
Purchase of investment properties	-	(4,158)
Net cash (used in) / generated from investing activities	<u>(5,361)</u>	<u>(9,113)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(1,406)	(1,357)
Withdrawal / (Placement) of short-term investment	7,125	15,786
Proceed from issuance of shares	3,762	-
Repayment of lease liabilities	(157)	(147)
Repayment of term loans	(4,039)	(1,693)
Share issuance expenses	-	-
Non-controlling interests investment in a subsidiary	1,185	102
Net cash generated from financing activities	<u>6,470</u>	<u>12,691</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<u>1,392</u>	<u>(5,776)</u>
Cash and cash equivalents at the beginning of the financial year	62,888	64,404
Effect of exchange differences	(397)	(118)
<b>Cash and cash equivalents at the end of the financial year</b>	<u><u>63,883</u></u>	<u><u>58,510</u></u>
Cash and cash equivalents comprise:		
Short term Investment	-	10,016
Cash and bank balances	63,883	58,510
Fixed deposit with licensed bank	-	-
	<u>63,883</u>	<u>68,526</u>
Less: Short term investment	-	(10,016)
Less: Deposits placed with licensed bank	-	-
	<u><u>63,883</u></u>	<u><u>58,510</u></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 AUGUST 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 August 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 August 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 August 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 August 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 August 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.
- 6) 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.

## **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 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
- 3) On 3 October 2023, NetX Holdings Berhad, entered into a Joint Venture Agreement (“JVA”) with Saudi Cold Storage Sdn. Bhd. (“SCS”) for the purpose of setting up and operate the Saudi fast-food outlet under the brand name of SAUDI BURGER (“Proposed JV”). NetX and SCS intend to venture into a mutual business in order to operate SAUDI BURGER flagship store as well as future expansion plan including franchising outlet (“Project”) by incorporating a joint venture company or acquiring shares in an existing dormant company which is free from any encumbrances and any liability, at the shareholding structure of 51% and 49% respectively (“JV Company”).

## **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)**

	<b>Electronic payment services RM'000</b>	<b>Non- electronic payment services RM'000</b>	<b>Money lending 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>2023</b>							
<b>Revenue</b>							
External revenue	271	5,476	3,253	1,115	481	-	10,596
Inter-company	-	-	-	14	-	(14)	-
	271	5,476	3,253	1,129	481	(14)	10,596
<b>Results</b>							
Segment operating profit/(loss)	(4,181)	1,680	1,238	(5,567)	(140)	(4,273)	(11,243)
Other operating income							9,065
Other operating expenses							(194)
Finance costs							(1,406)
Loss before taxation							(3,778)
Tax expenses							-
Loss after taxation							(3,778)
Non-controlling interests							(274)
Loss attributable to owners of the Company							(4,052)
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>							
<b>Segments assets</b>	14,846	4,182	14,367	7,531	117,608	-	158,534
Total assets							158,534
<b>Segments liabilities</b>	2,536	7,411	100	1,153	28,446	-	39,646
Deferred tax liability							127
Total liabilities							39,773

**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	376	1,892	1,080	2,298	804	-	6,450
Inter-company	-	-	-	115	-	(115)	-
	376	1,892	1,080	2,413	804	(115)	6,450
<b>Results</b>							
Segment operating profit/(loss)	(2,206)	(1,002)	5	(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							195
Loss attributable to owners of the Company							(6,077)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<b>Segments assets</b>	12,375	3,376	11,084	15,274	126,625	-	168,734
Total assets							168,734
<b>Segments liabilities</b>	682	3,363	141	580	32,871	-	37,637
Deferred tax liability							133
Total liabilities							37,770

**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	
	31.08.2023	31.08.2022	RM'000	%	31.08.2023	31.08.2022	RM'000	%
Revenue	4,447	3,711	736	20	10,596	6,450	4,146	64
Gross Profit	3,530	1,179	2,351	199	6,320	2,240	4,080	182
Profit/(Loss) Before Interest and Tax	857	(2,428)	3,285	135	(2,372)	(4,915)	2,543	52
Profit/(Loss) Before Tax	410	(2,872)	3,282	114	(3,778)	(6,272)	2,494	40
Profit/(Loss) After Tax	410	(2,872)	3,282	114	(3,778)	(6,272)	2,494	40
Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	345	(2,710)	3,055	113	(4,052)	(6,077)	2,025	33

For the current quarter ended 31 August 2023, the Group recorded revenue of RM4.45 million, higher as compared to RM3.71 million in the corresponding quarter in previous year, mainly due to higher sales of network equipment and infrastructure in Non-electronic Payment Services segment.

For the 9 months ended 31 August 2023, the Group recorded revenue of RM10.60 million, improvement amounting to RM4.15 million as compared to preceding year-to-date amounting to RM6.45 million. The improvement in revenue was mainly due to higher sales of network equipment and infrastructure in Non-electronic Payment Services segment, higher revenue contributed by Money Lending Segment, mitigated 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, no advertising revenue on GemSpot, and lower sales in gift deliveries.

As compared to loss before taxation of RM2.87 million in the corresponding quarter in previous year, current quarter recorded a profit before taxation of RM0.41 million mainly due to higher gross profit margin from sales of network equipment and infrastructure, interest income from other investment and lower loss in fair value adjustment on investment in public listed company by RM3.04 million, mitigate by higher operating expenses of RM0.88 million in GEM E-Commerce application and amortisation of intangible assets amounting to RM0.98 million on eFX Platform.

The Group recorded a loss before taxation of RM3.78 million for the current year-to-date, lower as compared to preceding year-to-date of RM6.27 million, mainly due to higher gross profit margin from sales of network equipment and infrastructure, interest income from other investment, lower depreciation of property, plant and equipment, and lower loss in fair value adjustment on investment in public listed company by RM4.30 million, mitigate by higher operating expenses of RM2.56 million in GEM E-Commerce application and amortisation of intangible assets of RM1.98 million on eFX Platform.

## B1 PERFORMANCE REVIEW (CONTINUED)

### Electronic Payment Services and Money Services Segment

	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.08.2023	31.08.2022	RM'000	%	31.08.2023	31.08.2022	RM'000	%
<b>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	83	129	(46)	36	271	376	(105)	28
Gross Profit	78	76	2	3	254	166	88	53
Profit/(Loss) Before Interest and Tax	(1,710)	(524)	(1,186)	226	(3,952)	(1,959)	(1,993)	102
Profit/(Loss) Before Tax	(1,711)	(525)	(1,186)	226	(3,954)	(1,961)	(1,993)	102
Profit/(Loss) After Tax	(1,711)	(525)	(1,186)	226	(3,954)	(1,961)	(1,993)	102

For the current quarter and year to-date ended 31 August 2023, this segment registered revenue of RM0.08 million and RM0.27 million respectively, lower revenue as compared to RM0.129 million in the corresponding quarter in previous year and RM0.376 million in preceding year to-date, mainly due to lower sales and maintenance of payments terminal from Electronic Payment Service Segment.

This segment reported a loss before taxation of RM1.71 million in current quarter and RM3.95 million in current year to-date, as compared to RM0.53 million in corresponding quarter in previous year and RM1.96 million in preceding year to-date, mainly due to amortisation of intangible assets of RM1.98 million on eFX Platform.

### Money Lending Segment

	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.08.2023	31.08.2022	RM'000	%	31.08.2023	31.08.2022	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	716	742	(26)	4	3,253	1,080	2,173	(67)
Gross Profit	655	440	215	33	2,173	707	1,466	67
Profit/(Loss) Before Interest and Tax	174	52	122	(235)	794	(220)	1,014	461
Profit/(Loss) Before Tax	174	51	123	(241)	793	(222)	1,015	457
Profit/(Loss) After Tax	174	51	123	(241)	793	(222)	1,015	457

For the current quarter and year to-date ended 31 August 2023, this segment reported revenue of RM0.72 million and RM3.26 million respectively, higher revenue as compared to RM0.74 million in corresponding quarter in previous year and RM1.08 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 profit before taxation of RM0.05 million in corresponding quarter in previous year and loss before taxation of RM0.22 million in preceding year to-date, this quarter recorded a profit before taxation of RM0.17 million and RM0.79 million in current year to-date, mainly due to higher revenue and interest earned from money lending business and profit from trading of motor vehicles.

## B1 PERFORMANCE REVIEW (CONTINUED)

### Non-electronic Payment Services Segment

	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.08.2023	31.08.2022	RM'000	%	31.08.2023	31.08.2022	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	3,213	1,754	1,459	45	5,476	1,892	3,584	65
Gross Profit	2,569	78	2,491	97	3,058	86	2,972	97
Profit/(Loss) Before Interest and Tax	2,238	(183)	2,421	1,323	1,751	(682)	2,433	357
Profit/(Loss) Before Tax	2,237	(184)	2,421	1,316	1,748	(687)	2,435	354
Profit/(Loss) After Tax	2,237	(184)	2,421	1,316	1,748	(687)	2,435	354

For the current quarter and year to-date ended 31 August 2023, this segment reported revenue of RM3.21 million and RM5.48 million respectively, higher revenue as compared to RM1.76 million in the corresponding quarter in previous year and RM1.89 million in preceding year to-date, mainly due to securing more projects in the current quarter.

This segment reported a profit before taxation of RM2.24 million in current quarter and RM1.75 million in current year to-date, as compared to loss before taxation of RM0.18 million in corresponding quarter in previous year and RM0.69 million in preceding year to-date, mainly due to higher gross profit margin and revenue achieved.

### GEM Segment

	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.08.2023	31.08.2022	RM'000	%	31.08.2023	31.08.2022	RM'000	%
<b>GEM</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	264	833	(569)	(68)	1,129	2,413	(1,284)	53
Gross Profit	102	295	(193)	65	494	629	(135)	21
Loss Before Interest and Tax	(1,874)	(735)	(1,139)	155	(5,568)	(2,282)	(3,286)	144
Loss Before Tax	(1,874)	(735)	(1,139)	155	(5,567)	(2,282)	(3,285)	144
Loss After Tax	(1,874)	(735)	(1,139)	155	(5,567)	(2,282)	(3,285)	144

For the current quarter and year to-date ended 31 August 2023, GEM segment registered revenue of RM0.26 million and RM1.13 million respectively, lower revenue as compared to RM0.83 million in the corresponding quarter in previous year and RM2.41 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. Lower sales in gift deliveries due to volatile global and domestic economic conditions during the financial year.

This segment reported a loss before taxation of RM1.88 million in current quarter and RM5.57 million in current year to-date, as compared to RM0.74 million in corresponding quarter in previous year and RM2.28 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		
	Ended 31.08.2023 RM'000	Ended 31.05.2023 RM'000	Changes RM'000	%
<b>Group Results</b>				
Revenue	4,447	3,911	536	14
Gross Profit	3,530	1,595	1,935	121
Profit/(Loss) Before Interest and Tax	857	24	833	3,471
Profit/(Loss) Before Tax	410	(445)	855	192
Profit/(Loss) After Tax	410	(445)	855	192
Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	345	(640)	985	154

The Group registered revenue of RM4.45 million in current quarter, higher revenue as compared to RM3.91 million in preceding quarter, mainly due to the higher revenue from sales of network equipment and infrastructure in Non-electronic Payment Services Segment.

As compared to loss before taxation of RM0.45 million in preceding quarter, the Group recorded profit before taxation of RM0.41 million in current quarter, mainly due to higher profit margin contributed from sales of network equipment and infrastructure in Non-electronic Payment Services Segment, interest income from other investment, mitigated by lower unrealised forex 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.

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 Q4 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.

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

#### 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.

The Group has started to engage with Key Opinion Leaders (“KOL”) to promote eMicro on social media. The Group believes that by leveraging to KOL's wide range of followers, there will be more people know about eMicro and potentially increase the loan submission rate of eMicro as well.

#### 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

Alongside Malaysia's weakening GDP at 2.9% in Q2 of 2023 which fell below market forecasts of 3.3%, the Group saw an initial slowdown of demand for the events and gifting market in the first month of Q3, 2023. The drop was also contributed by the fact that the particular month of July did not see any festivity celebrations nor special occasions which usually calls for increased consumer spends.

Anticipating this deceleration in the market, the Group kicked-off multiple pre-planned promotional campaigns for both the Miss J Florist events and gifting segments where flowers, gift sets and decorations were packaged into affordable and value bundles to discerning customers, leveraging on social media marketing for dissemination of information to the public.

With the physical retail business for Miss J Florist stabilizing, the Group placed more emphasis towards the brand's online sales by increasing investment into SEO optimization and expanding the online presence to penetrate the online marketplace. This has been done through Miss J Florist's store launches in Lazada and Shopee marketplace platforms to garner the mass market share through lower priced range products and services. These efforts prove successful as online sales increased by a 140% MoM from July to August 2023 with more than 2.5 million impressions returned from social media and Google advertising by the end of September 2023.

The Group foresees a promising rise in the year end wedding market for Q4 of 2023 which is expected to spillover to Q1 of 2024 and the growth in demand for integrated wedding planning services. Miss J Florist has started laying the ground works by collaborating with prominent wedding venues around Klang Valley and increasing the portfolio of services offered beyond decoration services.

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

#### 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:

- **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



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

#### Meimaii (Continued)

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).

#### Saudi Burger

The Group has entered into a joint venture agreement on 3rd October 2023 with Saudi Cold Storage Sdn Bhd (“SCS”), a wholly-owned subsidiary of Saudee Group Berhad (“Saudee”).

The business will be carried under a joint venture company, under the brand name Saudi Burger, Saudi Burger will pioneer the master franchise of an exciting new fast-food chain in the heart of Kuala Lumpur. The first flagship outlet of Saudi Burger’s new fast-food chain will be located in the iconic main entrance Sungei Wang Plaza in the heart of Bukit Bintang. This vibrant district is known for its bustling shopping, entertainment, and dining scene, making it the perfect location to introduce our exciting new offering.

The new fast-food chain will feature an innovative menu that focuses on the present need of the consumer market for a fulfilling food experience with quality and assurance of Saudee's food products that is reasonably priced for the needs of the mass consumer market. Customers can expect a diverse range of mouthwatering dishes, including Eggcellent Grill Burger, Saudi Crispy Burger and Black Pepper Cheese Burger.

In 2022, according to Statista, the retail value of fast food or limited-service restaurants in Malaysia amounted to around RM12.5 billion, an increase from RM10.3 billion in the previous year. The sales value of fast-food restaurants in Malaysia is expected to reach RM20.4 billion by 2026. This dynamic growth underscores the immense potential of the fast-food industry in the country, and Saudi Burger, as the master franchise holder, is poised to capitalize on this growth.

Saudi Burger’s first outlet in Sungei Wang Plaza, is expected to open in December 2023. The Group and Saudee are confident that this venture, as the master franchise under Saudi Burger, will not only delight food enthusiasts but also tap into the incredible growth potential of the Malaysian fast-food market.

#### 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	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	Ended	Year Ended
	Ended	Quarter Ended	Ended	Year Ended
	31.08.2023	31.08.2022	31.08.2023	31.08.2022
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is stated after charging :-				
Amortisation of intangible assets	1,297	242	2,834	707
Bad debts written off	-	-	-	10
Depreciation of plant and equipment	339	592	1,062	1,748
Depreciation of investment properties	355	355	1,064	1,050
Depreciation of right-of-use assets	51	51	152	152
Fair value losses on other investments	186	3,231	186	4,482
Impairment losses on trade receivables	-	-	8	-
Interest expenses	447	444	1,406	1,357
Inventory written off	-	-	1	1
Loss on foreign exchange - realised	-	-	114	-
Plant and equipment written off	-	-	-	18
<i>and crediting :-</i>				
Gain on foreign exchange - realised	-	251	-	256
Gain on foreign exchange - unrealised	478	2,178	5,132	6,647
Gain on disposal of short-term investment	-	16	17	16
Interest income	2,242	6	2,250	7
Dividend income	-	2	-	57
Rental income	32	71	202	203
Reversal of impairment gain on trade receivables	2	3	4	15
Fair value gain on short-term investment	-	35	47	164

## B6 TAXATION

	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current Year	Preceding
	Quarter	Corresponding	Year	Year
	Ended	Quarter Ended	Ended	Year Ended
	31.08.2023	31.08.2022	31.08.2023	31.08.2022
	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	2,484	22,516	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	22,419	2,581	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>48,301</u>	<u>33,097</u>	

### E) PRIVATE PLACEMENT OF UP TO 20% OF THE TOTAL NUMBER OF ISSUED SHARES TO THIRD PARTY INVESTOR(S)

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. The Private Placement was completed on 8 June 2023 following the listing and quotation of 83,596,700 placement shares on the Ace Market of Bursa Securities, raising RM3,761,852 for the Company.

## B8 STATUS OF UTILISATION OF PROCEEDS (CONTINUED)

### E) PRIVATE PLACEMENT OF UP TO 20% 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>
Additonal funds for the microfinancing business	3,586	1,000	2,586	Within 12 months
Expenses for the Private Placement	176	176	-	Immediate
	<u>3,762</u>	<u>1,176</u>	<u>2,586</u>	

## B9 GROUP BORROWINGS AND DEBT SECURITIES

	<b>As at 31.08.2023 Unaudited RM'000</b>	<b>As at 30.11.2022 Audited RM'000</b>
<b>Short term borrowing</b>		
Term loan - Secured	<u>6,009</u>	<u>5,528</u>
<b>Long term borrowing</b>		
Term loan - Secured	<u>22,097</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 August 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:

## B11 EARNINGS PER SHARE (CONTINUED)

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year Ended	Preceding Year Ended
	31.08.2023	31.08.2022	31.08.2023	31.08.2022
Net profit/(loss) attributable to owners of the parent (RM)	345,000	(2,710,000)	(4,052,000)	(6,077,000)
Weighted average number of ordinary shares	859,592,491	835,967,337	862,764,087	835,967,337
Basic profit/(loss) per share (sen)	0.04	(0.32)	(0.47)	(0.73)

### (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 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.