

**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 2024**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>CURRENT YEAR QUARTER 31/08/2024 RM'000</u>	<u>PRECEDING YEAR QUARTER 31/08/2023 RM'000</u>	<u>CURRENT YEAR TO DATE 31/08/2024 RM'000</u>	<u>PRECEDING YEAR TO DATE 31/08/2023 RM'000</u>
REVENUE	3,429	4,447	10,113	10,596
COST OF SALES	(1,753)	(917)	(4,937)	(4,276)
GROSS PROFIT	1,676	3,530	5,176	6,320
OTHER INCOME	(802)	3,365	1,688	9,065
ADMINISTRATION EXPENSES	(15,562)	(5,851)	(27,163)	(17,563)
OTHER OPERATING EXPENSES	(3,100)	(187)	(4,365)	(194)
PROFIT / (LOSS) FROM OPERATIONS	(17,788)	857	(24,664)	(2,372)
FINANCE COST	(301)	(447)	(782)	(1,406)
PROFIT / (LOSS) BEFORE TAX	(18,089)	410	(25,446)	(3,778)
INCOME TAX EXPENSES	(1)	-	(1)	-
NET PROFIT / (LOSS) FOR THE PERIOD	(18,090)	410	(25,447)	(3,778)
OTHER COMPREHENSIVE INCOME / (LOSS)	6,946	(223)	6,090	(2,198)
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD	<u>(11,144)</u>	<u>187</u>	<u>(19,357)</u>	<u>(5,976)</u>
NET PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE COMPANY	(16,728)	345	(23,797)	(4,052)
NON-CONTROLLING INTEREST	(1,362)	65	(1,650)	274
	<u>(18,090)</u>	<u>410</u>	<u>(25,447)</u>	<u>(3,778)</u>
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	(10,354)	136	(18,234)	(6,072)
NON-CONTROLLING INTEREST	(790)	51	(1,123)	96
	<u>(11,144)</u>	<u>187</u>	<u>(19,357)</u>	<u>(5,976)</u>
EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY :				
Basic (sen)	<u>(1.78)</u>	<u>0.04</u>	<u>(2.54)</u>	<u>(0.47)</u>

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 November 2023 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 2024**

	<b>AS AT 31/08/2024 Unaudited RM'000</b>	<b>AS AT 30/11/2023 Audited RM'000</b>
<b><u>ASSETS</u></b>		
<b><u>NON-CURRENT ASSETS</u></b>		
Plant and Equipment	1,563	3,388
Investment Properties	38,392	39,456
Right off Use Assets	2,013	2,198
Intangible Assets	2,723	5,629
Other Investments	7,449	5,207
Goodwill on Consolidation	5,940	5,940
	<u>58,080</u>	<u>61,818</u>
<b><u>CURRENT ASSETS</u></b>		
Inventories	131	202
Trade Receivables	19,380	13,337
Other Receivables, Deposits and Prepayment	6,702	9,942
Contract Assets	2,090	860
Current Tax Assets	109	84
Cash and Bank Balances	52,336	65,013
	<u>80,748</u>	<u>89,438</u>
<b>TOTAL ASSETS</b>	<u><u>138,828</u></u>	<u><u>151,256</u></u>
<b><u>EQUITIES AND LIABILITIES</u></b>		
<b><u>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</u></b>		
Share Capital	212,029	212,029
Foreign Exchange Reserve	(34)	(5,597)
Accumulated Losses	(115,237)	(91,440)
	<u>96,758</u>	<u>114,992</u>
Non-Controlling Interest	(5,332)	(4,454)
<b>TOTAL EQUITY</b>	<u>91,426</u>	<u>110,538</u>
<b><u>NON-CURRENT LIABILITIES</u></b>		
Term Loan	13,406	19,505
Lease Liabilities	1,303	1,454
Deferred Tax Liability	127	127
Redeemable Preference Shares	5,000	-
	<u>19,836</u>	<u>21,086</u>
<b><u>CURRENT LIABILITIES</u></b>		
Trade Payables	5,950	5,041
Other Payables and Accruals	9,253	5,300
Contract Liabilities	4,627	2,376
Lease Liabilities	734	807
Term Loan	7,002	6,108
	<u>27,566</u>	<u>19,632</u>
<b>TOTAL LIABILITIES</b>	<u>47,402</u>	<u>40,718</u>
<b>TOTAL EQUITIES AND LIABILITIES</b>	<u><u>138,828</u></u>	<u><u>151,256</u></u>
Net Assets per share attributable to owners of the Company (RM)	0.10	0.12

*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 2023 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 2024**

	←←←← ATTRIBUTABLE TO OWNER OF THE COMPANY →→→→				NON CONTROLLING INTEREST	TOTAL EQUITY	
	SHARE CAPITAL	WARRANT RESERVE	FOREIGN EXCHANGE RESERVE	ACCUMULATED LOSSES			TOTAL
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>As at 1 December 2023</b>	212,029	-	(5,597)	(91,440)	114,992	(4,454)	110,538
Loss after taxation	-	-	-	(23,797)	(23,797)	(1,650)	(25,447)
Other Comprehensive loss:							
Foreign Currency translation reserve	-	-	5,563	-	5,563	527	6,090
Total Comprehensive loss for the financial year	-	-	5,563	(23,797)	(18,234)	(1,123)	(19,357)
<u>Transactions with owners:</u>							
Subscription of additional equity share by NCI	-	-	-	-	-	245	245
Total Transactions with owners:	-	-	-	-	-	245	245
<b>As at 30 November 2024</b>	212,029	-	(34)	(115,237)	96,758	(5,332)	91,426
<b>As at 1 December 2022</b>	205,877	19,226	(3,027)	(95,618)	126,458	(5,144)	121,314
Loss after taxation	-	-	-	(13,525)	(13,525)	(750)	(14,275)
Other Comprehensive loss:							
Foreign Currency translation reserve	-	-	(2,570)	-	(2,570)	(233)	(2,803)
Total comprehensive loss for the financial year	-	-	(2,570)	(13,525)	(16,095)	(983)	(17,078)
<u>Transactions with owners:</u>							
Acquisition of subsidiary	-	-	-	-	-	(2)	(2)
Change in ownership interests in a subsidiary company	-	-	-	(1,523)	(1,523)	1,185	(338)
Issuance of shares pursuant to exercise of private placement	3,762	-	-	-	3,762	-	3,762
Issuance of shares pursuant to exercise of detachable Warrant C	2,390	-	-	-	2,390	-	2,390
Reversal of warrant reserve due to exercise of detachable Warrant C	-	(2,390)	-	2,390	-	-	-
Expiration of detachable Warrant C	-	(16,836)	-	16,836	-	-	-
Subscription of additional equity share by NCI	-	-	-	-	-	490	490
Total Transactions with owners:	6,152	(19,226)	-	17,703	4,629	1,673	6,302
<b>As at 30 November 2023</b>	212,029	-	(5,597)	(91,440)	114,992	(4,454)	110,538

*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 2023 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 2024**

	<b>CURRENT YEAR TO DATE 31/08/2024 RM'000</b>	<b>PRECEDING YEAR TO DATE 31/08/2023 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(25,446)	(3,778)
Adjustment for:		
Amortisation of intangible assets	3,111	2,833
Depreciation of plant and equipment	1,214	1,062
Depreciation of investment properties	1,064	1,064
Depreciation of right of use assets	365	152
Fair value loss on other investments	3,612	186
Fair value gain on short-term investment	-	(47)
Gain on disposal of other investments	(50)	-
Gain on disposal of short term investments	-	(17)
Gain on lease derecognition	(27)	-
Unrealised foreign exchange (gain) / loss	10,406	(5,133)
Impairment loss on trade receivables	-	8
Intangible assets written off	9	-
Interest expense	781	1,406
Interest income	(634)	(2,250)
Inventories written off	1	1
Plant and equipment written off	732	-
Reversal of impairment losses on trade receivables	(337)	(4)
Operating loss before working capital changes	<u>(5,199)</u>	<u>(4,517)</u>
Changes in contract assets / contract liabilities	1,021	1,150
Decrease in inventories	69	-
Increase in receivables	(2,577)	(5,260)
Increase / (Decrease) in payables	(6,880)	6,659
Cash generated used in operations	<u>(13,566)</u>	<u>(1,968)</u>
Interest received	634	2,250
Tax refunded	-	5
Tax paid	(24)	(4)
Cash generated used in activities	<u>(12,956)</u>	<u>283</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of intangible assets	(76)	(158)
Acquisition of subsidiary	-	(1,523)
Additions in other investments	(7,144)	(2,475)
Proceeds from disposal of investment	1,515	7
Proceeds from disposal of property, plant and equipment	433	1
Purchase of plant and equipment	(576)	(1,213)
Subscription of additional equity share by non-controlling interests	245	-
Net cash used in investing activities	<u>(5,603)</u>	<u>(5,361)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid	(782)	(1,406)
Withdrawal of short-term investment	-	7,125
Proceed from issuance of shares	-	3,762
Proceeds from issuance of redeemable preference shares	5,000	-
Repayment of lease liabilities	(378)	(157)
Repayment of term loans	(5,205)	(4,039)
Non-controlling interests investment in a subsidiary	-	1,185
Net cash (used in) / generated from financing activities	<u>(1,365)</u>	<u>6,470</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(19,924)</b>	<b>1,392</b>
Cash and cash equivalents at the beginning of the financial year	65,013	62,888
Effect of exchange differences	7,247	(397)
<b>Cash and cash equivalents at the end of the financial year</b>	<b><u>52,336</u></b>	<b><u>63,883</u></b>
Cash and cash equivalents comprise:		
Short term Investment	-	-
Cash and bank balances	52,336	63,883
Fixed deposit with licensed bank	-	-
	<u>52,336</u>	<u>63,883</u>
Less: Short term investment	-	-
Less: Deposits placed with licensed bank	-	-
	<u>52,336</u>	<u>63,883</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 2023 and the accompanying explanatory notes attached to the interim financial statements.*

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 AUGUST 2024**

**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 2023. 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 2023.

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 2023 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>
Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112 Income Taxes - International Tax Reform - Pillar Two Model Rules	1 January 2023

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:

## **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 16	Leases - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Presentation of Financial Statements – Non current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107	Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosure -Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability	1 January 2025
Amendments to MFRS 10	Consolidated Financial Statements and MFRS 128 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 2024.

## **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 2024.

## **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 2024 other than as disclosed below:

- 1.) On 28 June 2024, Emicro Services Sdn Bhd, a subsidiary of the Company, has entered into a Redeemable Non-convertible Preference Share Subscription Agreement with third party for subscription of up to 5,000,000 RPS at an issue price of RM1.00 per RPS. The subscription of 5,000,000 RPS at an issue price of RM1.00 per RPS has been completed on 31 July 2024.

## **A6 DIVIDENDS PAID**

No dividends were paid during current quarter and year to date ended 31 August 2024.

## **A7 VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no valuation of the property, plant and equipment during the current financial quarter under review and the financial year-to-date.

## **A8 CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during current quarter ended 31 August 2024.

## **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) On 11 January 2024, the Company announced and proposed to undertake a proposed bonus issue of up to 468,976,320 new warrants in NetX ("Warrants D") on the basis of 1 Warrant D for every 2 existing ordinary shares in NetX held by the entitled shareholders on an entitlement date to be determined and announced later ("Proposed Bonus Issue of Warrants").

On 27 March 2024, Bursa Securities had approved the following:

- (i) admission to the Official List and listing and quotation of up to 468,976,320 Warrants D to be issued pursuant to the Bonus Issue of Warrants; and
- (ii) listing and quotation of up to 468,976,320 new NetX Shares to be issued arising from the exercise of Warrants D.

On 9 April 2024, the Company announced an Extraordinary General Meeting ("EGM") had been scheduled to be convened on 29 April 2024 for the purpose of considering the above proposals. The shareholders of the Company had approved the proposals in the EGM.

On 27 Jun 2024, on behalf of the Board, TA Securities announced that the Board has fixed the exercise price of the Warrants D at RM0.10 per Warrant D. The exercise price of the Warrants D represents a discount of approximately 18.96% to the TEAP of NetX Shares of RM0.1234, calculated based on the 5-day VWAP of NetX Shares up to and including 26 June 2024 (being the last trading day before the date of this announcement) of RM0.1351.

On 23 Jul 2024, the Company announced the Warrants D will be admitted to the Official List of Bursa Securities and the listing and quotation of the Warrants D on the ACE Market will be granted with effect from 9.00 a.m., Thursday, 25 July 2024. The Stock Short Name, Stock Number and ISIN Code of the Warrants D are "NETX-WD", "0020WD" and "MYQ0020WD770".

## 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 Services                         | : | 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.  |
| Fast Food Chain                                | : | Operating fast food restaurants and master franchise of fast food chain.   |
| Investment Holding                             | : | This segment comprise investment holding and dormant companies.  |



**A11 SEGMENTAL INFORMATION (CONTINUED)**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Ended</u> <u>31/08/2024</u> <u>RM'000</u>	<u>Ended</u> <u>31/08/2023</u> <u>RM'000</u>	<u>Ended</u> <u>31/08/2024</u> <u>RM'000</u>	<u>Ended</u> <u>31/08/2023</u> <u>RM'000</u>
<b>Segment Revenue</b>				
Electronic Payment Services and Money Services	213	83	399	271
Money Lending Services	1,955	716	4,801	3,253
Non-electronic Payment Services	457	3,213	1,290	5,476
GEM	255	265	2,144	1,129
Fast Food Chain	404	-	1,065	-
Investment Holding	230	171	657	481
	<u>3,514</u>	<u>4,448</u>	<u>10,356</u>	<u>10,610</u>
Eliminations	(85)	(1)	(243)	(14)
Group revenue	<u>3,429</u>	<u>4,447</u>	<u>10,113</u>	<u>10,596</u>
<b>Segment Operating profit/(loss)</b>				
Electronic Payment Services and Money Services	(1,441)	(1,680)	(4,958)	(4,067)
Money Lending Services	368	334	1,035	1,238
Non-electronic Payment Services	(146)	2,215	(225)	1,680
GEM	(1,144)	(1,873)	(3,791)	(5,566)
Fast Food Chain	(182)	-	(653)	-
Investment Holding	(11,291)	(892)	(13,432)	(254)
Eliminations	(50)	(425)	37	(4,274)
	<u>(13,886)</u>	<u>(2,321)</u>	<u>(21,987)</u>	<u>(11,243)</u>
Other Income	(802)	3,365	1,688	9,065
Other Operating Expenses	(3,100)	(187)	(4,365)	(194)
Finance cost	(301)	(447)	(782)	(1,406)
Profit before Tax	<u>(18,089)</u>	<u>410</u>	<u>(25,446)</u>	<u>(3,778)</u>
Tax	(1)	-	(1)	-
Non-controlling interest	<u>1,362</u>	<u>(65)</u>	<u>1,650</u>	<u>(274)</u>
	<u>(16,728)</u>	<u>345</u>	<u>(23,797)</u>	<u>(4,052)</u>

**A11 SEGMENTAL INFORMATION (CONTINUED)**

	<b>As At 31/08/2024 RM'000</b>	<b>As At 31/08/2023 RM'000</b>
<b>Segment Assets</b>		
Electronic Payment Services and Money Services	7,424	14,846
Money Lending Services	18,155	14,367
Non-electronic Payment Services	4,491	4,182
GEM	1,865	7,531
Fast Food Chain	1,333	-
Investment Holding	105,560	117,608
	<u>138,828</u>	<u>158,534</u>
<b>Segment Liabilities</b>		
Electronic Payment Services and Money Services	5,514	2,536
Money Lending Services	5,973	100
Non-electronic Payment Services	9,918	7,411
GEM	1,901	1,153
Fast Food Chain	622	-
Investment Holding	23,347	28,446
	<u>47,275</u>	<u>39,646</u>
Deferred Liability	127	127
	<u>47,402</u>	<u>39,773</u>

**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 31/08/2024 RM'000	Audited 31/08/2023 RM'000	Changes RM'000	Unaudited 31/08/2024 RM'000	Audited 31/08/2023 RM'000	Changes RM'000
Revenue	3,429	4,447	(1,018)	10,113	10,596	(483)
Gross profit	1,676	3,530	(1,854)	5,176	6,320	(1,144)
Profit / (Loss) before interest and tax	(17,788)	857	(18,645)	(24,664)	(2,372)	(22,292)
Profit / (Loss) before tax	(18,089)	410	(18,499)	(25,446)	(3,778)	(21,668)
Profit / (Loss) after tax	(18,090)	410	(18,500)	(25,447)	(3,778)	(21,669)
Profit / (Loss) attributable to ordinary equity holders of the Company	(16,728)	345	(17,073)	(23,797)	(4,052)	(19,745)

Quarter Ended 31 August 2024 (Q3 2024) compared to Quarter Ended 31 August 2023 (Q3 2023), and Year-To-Date Ended 31 August 2024 (YTD 2024) compared to Year-To Date Ended 31 August 2023 (YTD 2023)

In Q3 2024 compared to Q3 2023, the Group's revenue decreased from RM4.45 million to RM3.43 million primarily due to lower sales in Non-electronic Payment Service Segment which accounted for a reduction of RM1.24 million and partially cushioned by new revenue stream from Fast Food Chain, which contributed RM0.40 million. For the current quarter, gross profit and gross profit margin has reduced as compared to the preceding year quarter mainly due to lower gross profit mainly project secured under the Non-electronic Payment Services Segment. The Group recorded a loss before taxation for the current quarter of RM18.09 million, higher loss as compared to profit before tax of RM0.41 million in preceding year quarter mainly due to lower gross profit margin, lower interest income of RM2.03 million, fair value adjustment on quoted investment of RM2.16 million and higher unrealised forex loss of RM11.96 million in the current quarter, linked to the strengthening of the Ringgit Malaysia against the USD and HKD.

In YTD 2024 compared to YTD 2023, the Group's revenue slightly decreased from RM10.60 million to RM10.11 million mainly due to lower sales in Non-electronic Payment Service Segment amounting to RM4.19 million and partially cushioned by higher in revenue from Gem segment, Fast Food Chain, and Money Lending segment amounting to RM1.02 million, RM1.07 million and RM1.55 million respectively. The Group's gross profit reduced from RM6.32 million to RM5.18 million. In YTD 2024 compared to YTD 2023, the Group's loss before tax increased from RM3.78 million to RM25.45 million due to lower gross profit margin, lower interest income of RM1.65 million, fair value adjustment on quoted investment of RM3.43 million and unrealised forex loss of RM10.46 million, linked to the strengthening of the Ringgit Malaysia against the USD and HKD, compared to unrealised forex gain of RM 5.13 million in YTD 2023.

#### Electronic Payment Services and Money Services Segment

In Q3 2024, this segment registered revenue of RM0.21 million, slightly increased from RM0.08 million in Q3 2023, primarily driven by the repair services within the Electronic Payment Services

## **B1 PERFORMANCE REVIEW (CONTINUED)**

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

segment. As a result, the loss before tax improved from RM1.68 million to RM1.44 million due to the higher revenue achieved.

In YTD 2024 compared to YTD 2023, this segment's revenue slightly increased from RM0.27 million to RM0.40 million, driven by the repair services. The loss before tax increased from RM4.05 million to RM4.62 million mainly due to higher amortisation cost of intangible assets amounting to RM1.13 million and resources invested for promoting new money changer outlet

### Money Lending Segment

In Q3 2024, this segment registered revenue of RM1.96 million, higher compared to RM0.72 million in Q3 2023, mainly due to the higher loan disbursements, introduction of hire purchase financing and trading of motorcycles. As a result, profit before taxation improved from RM0.18 million to RM0.43 million.

Similarly, in YTD 2024 compared to YTD 2023, revenue improved from RM3.25 million to RM4.80 million, attributed by the higher loan disbursements, introduction of hire purchase financing and trading of motorcycles. As a result, profit before taxation improved from RM0.79 million to RM1.34 million.

### Non-electronic Payment Services Segment

In Q3 2024, the segment registered revenue of RM0.46 million, lower revenue as compared to RM3.21 million in Q3 2023, mainly due to the expiration of monthly maintenance contracts secured in previous years. The segment reported a loss before tax of RM0.15 million.

In YTD 2024, the segment registered revenue of RM1.29 million, lower compared to RM5.48 million in 2023, mainly due to the expiration of monthly maintenance contracts secured in previous years. The loss before tax increased from RM0.21 million to a loss of RM1.75 million, mainly due to lower sales achieved and lower gross profit margin project secured throughout the year.

### GEM Segment

In Q3 2024 compared to Q3 2023, the revenue slightly decreased from RM0.26 million to RM0.25 million, primarily due to lower sales driven by seasonal trends. The loss before tax decreased marginally from RM1.87 million to RM1.86 million.

In YTD 2024 the revenue increased significantly from RM1.13 million to RM2.14 million, was mainly due to the new revenue stream from cafe and buffet operations, along with heightened consumer demand during the festive season. The loss before tax improved from RM5.57 million to RM4.51 million due to higher revenue achieved, lower marketing expenses and amortisation of intangible assets.

### Fast Food Chain Segment

The revenue in this segment was contributed by Saudi Burger's new fast food chain which was launched in November 2023. In Q3 2024, this segment generated RM0.40 million in revenue, alongside loss before tax of RM0.18 million. This loss was primarily attributed to lower sales and expenses related to the resources invested in promoting the fast food chain business.

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

	Quarter Ended		
	Unaudited 31/8/2024 RM'000	Unaudited 31/5/2024 RM'000	Changes RM'000
Revenue	3,429	3,275	154
Gross profit	1,676	1,634	42
Loss before interest and tax	(17,788)	(4,001)	(13,787)
Loss before tax	(18,089)	(4,280)	(13,809)
Loss after tax	(18,090)	(4,280)	(13,810)
Loss attributable to ordinary equity holders of the Company	(16,728)	(4,113)	(12,615)

The Group registered revenue of RM3.43 million in the current quarter, an increase from RM3.28 million in the preceding quarter. This growth was mainly due to higher revenue from money lending service and electronic payment services and cushioned by lower sales achieved in GEM segments.

The Group loss before taxation of RM18.09 million in the current quarter, compared to a loss of RM4.28 million in the preceding quarter, mainly due to fair value adjustment on quoted investment of RM2.16 million and higher unrealised forex loss of RM1.96 million in the current quarter, linked to the strengthening of the Ringgit Malaysia against the USD and HKD.

## B3 FUTURE PROSPECTS

### Electronic Payment Services and Money Services Segment

In Q3 2024, the Group officially opened a physical money changer outlet in Sungei Wang Plaza. Since the outlet's opening, The Group has been attracting customers of various nationalities due to its strategic location facing the main road of Jalan Sultan Ismail. With the increase in tourism to the heart of Kuala Lumpur, The Group believes this will generate significant revenue.

As for the eFX platform, the Group is currently in discussions with Bank Negara Malaysia to obtain approval to launch it in Malaysia.

For electronic payment services, The Group is actively collaborating with its business partners to deploy EDC terminals and secure more merchants for its electronic payment services business.

### Money Lending Segment

In Q4 2023, the Group began offering Hire Purchase financing options to the customers for purchase motor vehicles. Since then, The Group has been receiving an average of about 500 hire purchase applications. This demonstrates a strong demand from the public for alternative financing options outside of traditional banks.

The Group believes that, with the new financing options it will be able to manage a low default rate while increasing the financing amount.

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

#### 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.

#### 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 has opened in early December 2023. Since then, Saudi Burger has received lots of positive feedback regarding the menu offerings. The Group aims to open 20 more outlets within the next 3 years. The Group 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 2024.

#### B4 PROFIT FORECAST OR PROFIT GUARANTEE

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

#### B5 PROFIT / LOSS BEFORE TAX

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year Ended	Preceding Year Ended
	31/08/2024	31/08/2023	31/08/2024	31/08/2023
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is stated after charging/(crediting) :-				
Amortisation of intangible assets	1,021	1,297	3,111	2,834
Depreciation of plant and equipment	338	339	1,214	1,062
Depreciation of investment properties	355	355	1,064	1,064
Depreciation of right-of-use assets	109	51	365	152
Fair value losses on other investments	2,349	186	3,612	186
Impairment losses on trade receivables	2	-	2	8
Intangible assets written off	9	-	9	-
Interest expenses	301	447	782	1,406
Inventory written off	-	-	1	1
Loss on foreign exchange - realised	-	-	-	114
Plant and equipment written off	732	-	732	-
<i>and crediting:</i>				
Gain on foreign exchange - realised	1	-	97	-
Gain on foreign exchange - unrealised	-	478	-	5,132
Gain on disposal of other investment	-	-	50	-
Gain on disposal of short-term investment	-	-	-	17
Gain on lease derecognition	27	-	27	-
Gain on disposal of plant and equipment	7	-	7	-
Interest income	211	2,242	634	2,250
Rental income	49	32	145	202
Reversal of impairment loss on trade receivables	99	2	337	4
Fair value gain on short-term investments	-	-	-	47

## B6 TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year Ended	Preceding Year Ended
	31/08/2024	31/08/2023	31/08/2024	31/08/2023
	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

- 1) Bursa Securities had vide its letter dated 27 March 2024, approved the following:
  - (i) admission to the Official List and listing and quotation of up to 468,976,320 Warrants D to be issued pursuant to the Bonus Issue of Warrants; and
  - (ii) listing and quotation of up to 468,976,320 new NetX Shares to be issued arising from the exercise of Warrants D.
- 2) On 9 April 2024, the Company announced an Extraordinary General Meeting ("EGM") had been scheduled to be convened on 29 April 2024 for the purpose of considering the above proposals. The shareholders of the Company had approved the proposals in the EGM.
- 3) On 27 Jun 2024, on behalf of the Board, TA Securities announced that the Board has fixed the exercise price of the Warrants D at RM0.10 per Warrant D. The exercise price of the Warrants D represents a discount of approximately 18.96% to the TEAP of NetX Shares of RM0.1234, calculated based on the 5-day VWAP of NetX Shares up to and including 26 June 2024 (being the last trading day before the date of this announcement) of RM0.1351.
- 4) On 23 Jul 2024, the Company announced the Warrants D will be admitted to the Official List of Bursa Securities and the listing and quotation of the Warrants D on the ACE Market will be granted with effect from 9.00 a.m., Thursday, 25 July 2024. The Stock Short Name, Stock Number and ISIN Code of the Warrants D are "NETX-WD", "0020WD" and "MYQ0020WD770".



## 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>	

### 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>	

## B8 STATUS OF UTILISATION OF PROCEEDS (CONTINUED)

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

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 12 months
Expenses for the Private Placement	110	110	-	Immediate
	<u>4,691</u>	<u>4,691</u>	<u>-</u>	

### D) SHARE CONSOLIDATION AND RIGHTS ISSUE WITH WARRANTS

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

<b>Purpose</b>	<b>Purpose Utilisation (RM'000)</b>	<b>Actual Utilisation (RM'000)</b>	<b>Balance (RM'000)</b>	<b>Intended for Timeframe Utilisation</b>
Development of a F&B e-commerce platform	5,000	5,000	-	Within 18 months
Marketing of GemSpot and GemSpot Lite	25,000	3,065	21,935	Within 48 months
Development and intergration of business intelligence and data analytics system	8,000	-	8,000	Within 48 months
Investment or partnership in other complementary businesses or assets	25,000	25,000	-	Within 48 months
Working capital	17,498	17,498	-	Within 36 months
Expenses for the Right Issue	900	900	-	Immediate
	<u>81,398</u>	<u>51,463</u>	<u>29,935</u>	

## 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)

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.

<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 24 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 30.11.2024 Unaudited RM'000</b>	<b>As at 30.11.2023 Audited RM'000</b>
<b>Short term borrowing</b>		
Secured	<u>7,002</u>	<u>6,108</u>
<b>Long term borrowing</b>		
Secured	<u>13,406</u>	<u>19,505</u>

The term loans is denominated in Ringgit Malaysia and the interest rate of the term loan at the reporting date is 2.99% to 4.13% per annum.

## B10 DIVIDEND PAYABLE

No dividend was declared or paid in quarter and year ended 31 August 2024.

## 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
	31/08/2024	31/08/2023	31/08/2024	31/08/2023
Net profit/(loss) attributable to owners of the parent (RM)	<u>(16,728,000)</u>	<u>345,000</u>	<u>(23,797,000)</u>	<u>(4,052,000)</u>
Weighted average number of ordinary shares	<u>937,952,641</u>	<u>859,592,491</u>	<u>937,952,641</u>	<u>862,764,087</u>
Basic profit/(loss) per share (sen)	<u>(1.78)</u>	<u>0.04</u>	<u>(2.54)</u>	<u>(0.47)</u>

### (b) Diluted

There is no dilution in the earnings per share of the Company as the average market values of the warrants as at 31 August 2024 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 2023 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.