

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR CURRENT QUARTER AND YEAR ENDED 30 NOVEMBER 2024**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/11/2024 RM'000	PRECEDING YEAR QUARTER 30/11/2023 RM'000	CURRENT YEAR TO DATE 30/11/2024 RM'000	PRECEDING YEAR TO DATE 30/11/2023 RM'000
REVENUE	5,003	6,236	15,116	16,832
COST OF SALES	(2,199)	(4,131)	(7,136)	(8,407)
GROSS PROFIT	2,804	2,105	7,980	8,425
OTHER INCOME	4,152	3,053	2,021	12,118
ADMINISTRATION EXPENSES	(3,275)	(9,372)	(26,619)	(26,935)
OTHER OPERATING EXPENSES	(7,870)	(5,630)	(12,235)	(5,824)
LOSS FROM OPERATIONS	(4,189)	(9,844)	(28,853)	(12,216)
FINANCE COST	(267)	(653)	(1,049)	(2,059)
LOSS BEFORE TAX	(4,456)	(10,497)	(29,902)	(14,275)
INCOME TAX EXPENSES	(205)	-	(206)	-
NET LOSS FOR THE FINANCIAL PERIOD	(4,661)	(10,497)	(30,108)	(14,275)
OTHER COMPREHENSIVE INCOME / (LOSS)	(2,657)	(605)	3,433	(2,803)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(7,318)	(11,102)	(26,675)	(17,078)
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE COMPANY	(4,537)	(9,473)	(28,334)	(13,525)
NON-CONTROLLING INTEREST	(124)	(1,024)	(1,774)	(750)
	(4,661)	(10,497)	(30,108)	(14,275)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	(6,952)	(10,023)	(25,186)	(16,095)
NON-CONTROLLING INTEREST	(366)	(1,079)	(1,489)	(983)
	(7,318)	(11,102)	(26,675)	(17,078)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY :				
Basic (sen)	(0.48)	(1.09)	(3.02)	(1.56)

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 30 NOVEMBER 2024**

	AS AT 30/11/2024 Unaudited RM'000	AS AT 30/11/2023 Audited RM'000
<u>ASSETS</u>		
<u>NON-CURRENT ASSETS</u>		
Plant and Equipment	1,841	3,388
Investment Properties	38,038	39,456
Right of Use Assets	1,587	2,198
Intangible Assets	-	5,629
Other Investments	6,842	5,207
Goodwill on Consolidation	1,529	5,940
	<u>49,837</u>	<u>61,818</u>
<u>CURRENT ASSETS</u>		
Inventories	130	202
Trade Receivables	16,031	13,337
Other Receivables, Deposits and Prepayment	5,988	9,942
Contract Assets	2,590	860
Current Tax Assets	118	84
Cash and Bank Balances	55,079	65,013
	<u>79,936</u>	<u>89,438</u>
TOTAL ASSETS	<u><u>129,773</u></u>	<u><u>151,256</u></u>
<u>EQUITIES AND LIABILITIES</u>		
<u>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</u>		
Share Capital	212,029	212,029
Foreign Exchange Reserve	(2,449)	(5,597)
Accumulated Losses	(119,774)	(91,440)
	<u>89,806</u>	<u>114,992</u>
Non-Controlling Interest	(5,698)	(4,454)
TOTAL EQUITY	<u>84,108</u>	<u>110,538</u>
<u>NON-CURRENT LIABILITIES</u>		
Term Loan	11,494	19,505
Lease Liabilities	873	1,454
Deferred Tax Liability	127	127
Redeemable Preference Shares	5,000	-
	<u>17,494</u>	<u>21,086</u>
<u>CURRENT LIABILITIES</u>		
Trade Payables	6,597	5,041
Other Payables and Accruals	9,941	5,300
Contract Liabilities	3,689	2,376
Lease Liabilities	735	807
Term Loan	7,004	6,108
Current Tax liabilities	205	-
	<u>28,171</u>	<u>19,632</u>
TOTAL LIABILITIES	<u>45,665</u>	<u>40,718</u>
TOTAL EQUITIES AND LIABILITIES	<u><u>129,773</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 ENDED 30 NOVEMBER 2024**

	←← ATTRIBUTABLE TO OWNER OF THE COMPANY →→				TOTAL RM'000	NON CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
	← NON - DISTRIBUTABLE	WARRANT RESERVE RM'000	FOREIGN EXCHANGE RESERVE RM'000	→ DISTRIBUTABLE ACCUMULATED LOSSES RM'000			
	SHARE CAPITAL RM'000						
As at 1 December 2023	212,029	-	(5,597)	(91,440)	114,992	(4,454)	110,538
Loss after taxation	-	-		(28,334)	(28,334)	(1,774)	(30,108)
Other Comprehensive loss:							
Foreign Currency translation reserve	-	-	3,148	-	3,148	285	3,433
Total Comprehensive loss for the financial year	-	-	3,148	(28,334)	(25,186)	(1,489)	(26,675)
<u>Transactions with owners:</u>							
Deemed disposal of subsidiary companies	-	-	-	-	-	-	-
Subscription of additional equity share by NCI	-	-	-	-	-	245	245
Total Transactions with owners:	-	-	-	-	-	245	245
As at 30 November 2024	212,029	-	(2,449)	(119,774)	89,806	(5,698)	84,108
As at 1 December 2022	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
As at 30 November 2023	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 ENDED 30 NOVEMBER 2024

	CURRENT YEAR TO DATE 30/11/2024 RM'000	PRECEDING YEAR TO DATE 30/11/2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(29,902)	(14,275)
Adjustment for:		
Amortisation of intangible assets	4,074	4,159
Depreciation of plant and equipment	1,503	1,649
Depreciation of investment properties	1,419	1,419
Depreciation of right of use assets	786	618
Fair value loss on other investments	4,207	2,860
Reversal of other payables	-	(480)
Fair value gain on short-term investment	-	(47)
(Gain) / Loss on disposal of other investments	(49)	488
Gain on lease derecognition	(27)	-
Unrealised foreign exchange (gain) / loss	6,588	(6,100)
Impairment loss on intangible assets	1,852	1,080
Impairment loss on trade receivables	1,015	1,378
Impairment loss on goodwill	4,411	-
Intangible assets written off	9	-
Interest expense	1,048	2,059
Interest income	(828)	(2,431)
Inventories written off	1	1
Plant and equipment written off	732	-
Reversal of impairment losses on trade receivables	(367)	(4)
Reversal of over accrual of interest expense	-	(1,119)
Operating loss before working capital changes	<u>(3,612)</u>	<u>(8,745)</u>
Changes in contract assets / contract liabilities	(417)	1,343
(Increase) / Decrease in inventories	70	(164)
(Increase) / Decrease in receivables	390	(3,333)
Increase / (Decrease) in payables	(1,084)	9,784
Cash used in from operations	<u>(4,653)</u>	<u>(1,115)</u>
Interest received	828	2,431
Tax refunded	-	5
Tax paid	(33)	(30)
Cash (used in) / generated from operations activities	<u>(3,858)</u>	<u>1,291</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	(386)	(684)
Acquisition of subsidiary	-	(1)
Acquisition of additional equity interest in subsidiary companies	-	(338)
Additions in other investments	(7,018)	(3,431)
Proceeds from disposal of investment	1,488	1,561
Proceeds from disposal of property, plant and equipment	433	1
Purchase of plant and equipment	(1,142)	(2,094)
Subscription of additional equity share by non-controlling interests	245	490
Net cash used in investing activities	<u>(6,380)</u>	<u>(4,496)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(1,050)	(2,059)
Withdrawal of short-term investment	-	7,125
Proceed from issuance of shares pursuant to Private Placement	-	3,762
Proceed from exercise of warrants	-	2,391
Proceeds from issuance of redeemable preference shares	5,000	-
Repayment of lease liabilities	(770)	(563)
Repayment of term loans	(7,115)	(5,413)
Net cash (used in) / generated from financing activities	<u>(3,935)</u>	<u>5,243</u>
Net (decrease) / increase in cash and cash equivalents	(14,173)	2,038
Cash and cash equivalents at the beginning of the financial year	65,013	62,888
Effect of exchange differences	4,239	87
Cash and cash equivalents at the end of the financial year	<u>55,079</u>	<u>65,013</u>
Cash and cash equivalents comprise:		
Short term Investment	-	
Cash and bank balances	55,079	65,013
Fixed deposit with licensed bank	-	-
	<u>55,079</u>	<u>65,013</u>
Less: Short term investment	-	
Less: Deposits placed with licensed bank	-	-
	<u>55,079</u>	<u>65,013</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 CURRENT QUARTER AND YEAR ENDED 30 NOVEMBER 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 financial year ended 30 November 2024.

A4 CHANGES IN ESTIMATES

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

A8 CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during current quarter and financial year ended 30 November 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".

- 2) On 19 December 2024, the Company's equity interest in Saudi Burger Holdings Sdn Bhd ("SBHSB") reduced from 51% to 49% due to subscription of additional shares in SBHSB. Subsequently, the Company loses control over SBHSB.

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>	
	Ended 30/11/2024 RM'000	Ended 30/11/2023 RM'000	Ended 30/11/2024 RM'000	Ended 30/11/2023 RM'000
Segment Revenue				
Electronic Payment Services and Money Services	118	87	517	358
Money Lending Services	1,215	866	6,016	4,119
Non-electronic Payment Services	1,675	4,425	2,965	9,901
GEM	1,568	719	3,712	1,848
Fast Food Chain	277	2	1,342	2
Investment Holding	250	146	907	627
	<u>5,103</u>	<u>6,245</u>	<u>15,459</u>	<u>16,855</u>
Eliminations	(100)	(9)	(343)	(23)
Group revenue	<u>5,003</u>	<u>6,236</u>	<u>15,116</u>	<u>16,832</u>
Segment Result				
Electronic Payment Services and Money Services	(3,303)	(4,343)	(7,923)	(8,390)
Money Lending Services	(740)	(1,057)	604	(264)
Non-electronic Payment Services	128	636	(82)	2,384
GEM	1,401	(2,591)	(3,110)	(8,158)
Fast Food Chain	(122)	(134)	(777)	(134)
Investment Holding	(2,025)	(3,008)	(18,820)	287
Loss after tax	<u>(4,661)</u>	<u>(10,497)</u>	<u>(30,108)</u>	<u>(14,275)</u>

A11 SEGMENTAL INFORMATION (CONTINUED)

	As At 30/11/2024 RM'000	As At 30/11/2023 RM'000
Segment Assets		
Electronic Payment Services and Money Services	2,524	12,024
Money Lending Services	17,262	13,512
Non-electronic Payment Services	4,766	2,204
GEM	1,511	6,146
Fast Food Chain	1,259	1,626
Investment Holding	102,451	115,744
	<u>129,773</u>	<u>151,256</u>
Segment Liabilities		
Electronic Payment Services and Money Services	4,453	4,767
Money Lending Services	5,768	801
Non-electronic Payment Services	11,102	6,380
GEM	1,605	1,970
Fast Food Chain	644	624
Investment Holding	21,966	26,049
	<u>45,538</u>	<u>40,591</u>
Deferred Liability	127	127
	<u>45,665</u>	<u>40,718</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 30/11/2024 RM'000	Audited 30/11/2023 RM'000	Changes RM'000	Unaudited 30/11/2024 RM'000	Audited 30/11/2023 RM'000	Changes RM'000
Revenue	5,003	6,236	(1,233)	15,116	16,832	(1,716)
Gross profit	2,804	2,105	699	7,980	8,425	(445)
Loss before interest and tax	(4,189)	(9,844)	5,655	(28,853)	(12,216)	(16,637)
Loss before tax	(4,456)	(10,497)	6,041	(29,902)	(14,275)	(15,627)
Loss after tax	(4,661)	(10,497)	5,836	(30,108)	(14,275)	(15,833)
Loss attributable to ordinary equity holders of the Company	(4,537)	(9,473)	4,936	(28,334)	(13,525)	(14,809)

Quarter Ended 30 November 2024 (Q4 2024) compared to Quarter Ended 30 November 2023 (Q4 2023), and Year Ended 30 November 2024 (YTD 2024) compared to Year Ended 30 November 2023 (YTD 2023)

In Q4 2024 compared to Q4 2023, the Group's revenue decreased from RM6.24 million to RM5.00 million mainly due to lower sales in Non-electronic Payment Service Segment which accounted for a reduction of RM2.75 million and partially cushioned by revenue from GEM application licensing sales amounting to RM1.56 million. For the current quarter, gross profit margin has increased from 34% to 56% compared to the preceding year quarter mainly due to higher gross profit from GEM application licensing under the Gem Segment. The Group recorded a loss before tax of RM4.46 million for the current quarter, lower loss as compared to loss before tax of RM10.50 million in preceding year quarter, mainly due to lower marketing expenses of RM3.29 million, lower loss on fair value adjustment on quoted investment of RM2.08 million, unrealised forex gain of RM3.82 million, linked to the strengthening of the USD and HKD against the Ringgit Malaysia and cushioned by higher impairment on goodwill amounting to RM4.40 million.

In YTD 2024 compared to YTD 2023, the Group's revenue slightly decreased from RM16.83 million to RM15.12 million mainly due to fewer projects secured under Non-electronic Payment Service Segment and partially cushioned by higher revenue from Gem segment, Fast Food Chain, and Money Lending segment. In YTD 2024 compared to YTD 2023, the Group's loss before tax increased from RM14.28 million to RM29.90 million due, mainly driven by higher impairment on goodwill of RM4.40 million, an increase in fair value adjustment on quoted investment of RM1.35 million, unrealised forex loss of RM6.59 million, linked to the strengthening of the Ringgit Malaysia against the USD and HKD, compared with an unrealized forex gain of RM6.10 million in YTD 2023.

Electronic Payment Services and Money Services Segment

In Q4 2024, this segment registered revenue of RM0.12 million, slightly increased from RM0.09 million in Q4 2023, mainly due to opening of a new physical money changer outlet at Sungei Wang Plaza. The segment reported a loss before tax of RM3.30 million for the current quarter, which is lower compared to the loss of RM4.34 million to the preceding year quarter. This was due to the lower marketing costs of RM2.53 million in and cushioned by higher impairment on intangible assets of RM1.30 million.

B1 PERFORMANCE REVIEW (CONTINUED)

Electronic Payment Services and Money Services Segment (continued)

In YTD 2024 compared to YTD 2023, this segment's revenue increased from RM0.36 million to RM0.52 million, driven by the repair services and opening of a new physical money changer outlet at Sungei Wang. The loss before tax decreased from RM8.39 million to RM7.92 million mainly due to lower marketing expenses of RM2.53 million and cushioned by higher amortisation cost of intangible assets amounting to RM1.13 million, higher impairment loss on intangible cost of RM1.30 million.

Money Lending Segment

In Q4 2024, this segment registered revenue of RM1.22 million, higher compared to RM0.87 million in Q4 2023, mainly due to the higher loan disbursements, introduction of hire purchase financing and trading of motorcycles. As a result, loss before tax improved from RM1.06 million to RM0.55 million.

Similarly, in YTD 2024 compared to YTD 2023, revenue improved from RM4.12 million to RM6.02 million, attributed by the higher loan disbursements, introduction of hire purchase financing and trading of motorcycles. As a result, the segment reported a profit before tax of RM0.79 million for the current year, compared to a loss before tax of RM0.26 million in the previous year.

Non-electronic Payment Services Segment

In Q4 2024, the segment registered revenue of RM1.68 million, lower revenue as compared to RM4.44 million in Q4 2023, mainly due to the expiration of monthly maintenance contracts secured in previous years. As a result, the segment profit before tax reduce from RM0.64 million to RM0.13 million.

In YTD 2024, the segment registered revenue of RM2.97 million, lower compared to RM9.90 million in YTD 2023, mainly due to lower projects secured and the expiration of monthly maintenance contracts secured in previous years. As a result, the segment recorded a loss before tax of RM0.08 million compared to a profit before tax of RM2.38 million in the previous year, mainly due to lower sales achieved and lower gross profit margin project secured throughout the year.

GEM Segment

In Q4 2024 compared to Q4 2023, the revenue increased from RM0.72 million to RM1.57 million, primarily due to the GEM applications licensing sales. As a result, the segment reported a profit before tax of RM1.40 million compared to loss before tax of RM2.59 million in the preceding year quarter.

In YTD 2024 the segment registered revenue of RM3.71 million, higher compared to RM1.85 million in YTD 2023, mainly due to the new revenue stream from cafe and buffet operations and GEM application licensing sales. The loss before tax improved from RM8.16 million to RM3.11 million mainly due to higher revenue achieved, lower marketing expenses and lower 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 YTD 2024, this segment generated RM1.34 million in revenue, with a loss before tax of RM0.78 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 30/11/2024 RM'000	Unaudited 31/8/2024 RM'000	Changes RM'000
Revenue	5,003	3,429	1,574
Gross profit	2,804	1,676	1,128
Loss before interest and tax	(4,189)	(17,788)	13,599
Loss before tax	(4,456)	(18,089)	13,633
Loss after tax	(4,661)	(18,090)	13,429
Loss attributable to ordinary equity holders of the Company	(4,537)	(16,728)	12,191

The Group registered revenue of RM5.00 million in the current quarter, an increase of RM1.57 million as compared to the previous quarter, mainly driven by GEM application licensing sales in the GEM segment.

The Group's loss before tax of RM4.46 million in the current quarter has decreased by RM13.63 million compared to a loss of RM18.09 million in the preceding quarter. This improvement was mainly due to higher revenue, a reduction in the fair value adjustment on quoted investments by RM1.75 million, unrealised forex gain of RM3.82 million compared to an unrealised forex loss of RM11.96 million in the previous quarter and cushioned by higher impairment on goodwill amounting to RM4.40 million.

B3 FUTURE PROSPECTS

Electronic Payment Services and Money Services Segment

In Q4 2024, the Group received approval from Bank Negara Malaysia to officially launch eFX, the digital platform designed to revolutionize currency exchange services. This approval marks a significant achievement and positions the Group to lead in the financial technology space, offering greater convenience and transparency to its customers.

The launch of eFX is expected to drive significant business growth, leveraging the Group's platform's ability to connect users with competitive currency exchange rates and trusted money changers. With Mountain Money Sdn Bhd and other leading money changers onboard, eFX aims to transform how customers access foreign exchange services, ensuring a seamless and secure experience.

Moving forward, the Group anticipates strong customer adoption and transaction growth as it rolls out strategic marketing initiatives and expands its money changer network. Additionally, this platform aligns with the growing trend toward digital financial services, ensuring the Group remains competitive and innovative in a fast-evolving industry.

With this pivotal approval, the Group is confident in its ability to create long-term value for its stakeholders and solidify its position as a leader in digital financial solutions.

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.

B3 FUTURE PROSPECTS (CONTINUED)

Money Lending Segment

In Q4 2024, the Group's money lending segment is expected to continue operating under a stable and consistent performance framework. This segment remains a steady contributor to the Group's overall revenue, with a focus on maintaining prudent risk management practices and ensuring compliance with regulatory requirements.

Key operational priorities in this segment include providing accessible financing solutions to meet the needs of our customers while safeguarding portfolio quality. The Group remains committed to enhancing customer experience through streamlined processes, leveraging technology to improve loan disbursement efficiency, and offering competitive rates to retain and attract customers.

While no significant changes or disruptions are anticipated in this segment for the quarter, the Group will continue to monitor market conditions closely to identify potential growth opportunities and address any emerging challenges. This approach ensures the money lending segment remains resilient, adaptable, and well-positioned for future growth.

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.

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
	30/11/2024	30/11/2023	30/11/2024	30/11/2023
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is stated after charging/(crediting) :-				
Amortisation of intangible assets	963	1,325	4,074	4,159
Depreciation of plant and equipment	289	587	1,503	1,649
Depreciation of investment properties	355	355	1,419	1,419
Depreciation of right-of-use assets	421	466	786	618
Fair value losses on other investments	595	2,674	4,207	2,860
Impairment losses on intangible assets	1,852	1,080	1,852	1,080
Impairment losses on trade receivables	1,013	1,370	1,015	1,378
Intangible assets written off	-	-	9	-
Interest expenses	266	653	1,048	2,059
Inventory written off	-	-	1	1
Loss on foreign exchange - realised	-	-	-	29
Loss on foreign exchange - unrealised	-	-	6,588	-
Plant and equipment written off	-	-	732	-
Amortisation of goodwill	4,411	-	4,411	-
Loss on disposal of other investment	1	488	-	488
<hr/>				
<i>and crediting:</i>				
Gain on foreign exchange - realised	2	85	99	-
Gain on foreign exchange - unrealised	3,818	968	-	6,100
Gain on disposal of other investment	-	-	49	-
Gain on disposal of short-term investment	-	-	-	17
Gain on lease derecognition	-	-	27	-
Gain on disposal of plant and equipment	3	-	10	-
Interest income	194	181	828	2,431
Rental income	108	42	253	244
Reversal of impairment loss on trade receivables	30	-	367	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
	30/11/2024	30/11/2023	30/11/2024	30/11/2023
	RM'000	RM'000	RM'000	RM'000
Current period				
- Income taxation	1	-	1	-
- Deferred taxation	205	-	205	-
Total	206	-	206	-

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.

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Intended Timeframe for Utilisation
Development and marketing of eFX System	20,000	11,650	8,350	Within 72 months
Working Capital	323	323	-	Within 24 months
Expenses for the Share Issuance	780	780	-	Immediate
	<u>21,103</u>	<u>12,753</u>	<u>8,350</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.

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

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.

Purpose	Purpose Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Intended for Timeframe Utilisation
Enhancement of GemSpot and GemSpot Lite	4,581	4,581	-	Within 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.

Purpose	Purpose Utilisation (RM'000)	Reallocation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Intended for Timeframe Utilisation
Development of a F&B e-commerce platform	5,000	-	5,000	-	Within 18 months
Marketing of GemSpot and GemSpot Lite	25,000	(10,000)	3,065	11,935	Within 72 months
Development and intergration of business intelligence and data analytics system	8,000	-	-	8,000	Within 72 months
Investment or partnership in other complementary businesses or assets	25,000	7,000	26,200	5,800	Within 72 months
Working capital	17,498	3,000	18,664	1,834	Within 72 months
Expenses for the Right Issue	900	-	900	-	Immediate
	<u>81,398</u>	<u>-</u>	<u>53,829</u>	<u>27,569</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.

Purpose	Purpose Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Intended for Timeframe Utilisation
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

	As at 30.11.2024 Unaudited RM'000	As at 30.11.2023 Audited RM'000
Short term borrowing		
Secured	<u>7,004</u>	<u>6,108</u>
Long term borrowing		
Secured	<u>11,494</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 30 November 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
	30/11/2024	30/11/2023	30/11/2024	30/11/2023
Net profit/(loss) attributable to owners of the parent (RM)	<u>(4,537,000)</u>	<u>(9,473,000)</u>	<u>(28,334,000)</u>	<u>(13,525,000)</u>
Weighted average number of ordinary shares	<u>937,952,641</u>	<u>866,766,653</u>	<u>937,952,641</u>	<u>864,552,713</u>
Basic profit/(loss) per share (sen)	<u>(0.48)</u>	<u>(1.09)</u>	<u>(3.02)</u>	<u>(1.56)</u>

(b) Diluted

There is no dilution in the earnings per share of the Company as the average market values of the warrants as at 30 November 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.