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NETX HOLDINGS BERHAD

(Incorporated in Malaysia)
(533441-W)

REPORTS AND FINANCIAL STATEMENTS
30 JUNE 2015

ECOVIS AHL PLT
(LLP0003185-LCA) & (AF 001825)
Chartered Accountants

NETX HOLDINGS BERHAD
(Incorporated in Malaysia)
Company No : 533441-W

REPORTS AND FINANCIAL STATEMENTS
30 JUNE 2015

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NETX HOLDINGS BERHAD
(Incorporated in Malaysia)
Company No. 533441-W

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2015.

PRINCIPAL ACTIVITIES

The Company is principally involved in the investment holding, research and development of software, system design, integration and installation and provision of information technology services. The principal activities of the subsidiary companies are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year other than the new activity of sale and rental of Electronic Fund Transfer at Point of Sale ("EFTPOS") terminals as ventured by the Group during the financial year.

RESULTS

	Group RM	Company RM
Loss for the financial year	(11,939,687)	(13,387,057)
Attributable to:		
Owners of the Company	(11,916,083)	(13,387,057)
Non-controlling interests	(23,604)	-
	(11,939,687)	(13,387,057)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial period. The Directors do not recommend the payment of any dividend in respect of the financial year ended 30 June 2015.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors in office since the date of the last report are:

Tengku Ahmad Badli Shah Bin Raja Hussin	(Appointed on 09.04.2015)
Tan Sik Eek	(Appointed on 21.04.2015)
Chu Chee Peng	(Appointed on 09.06.2015)
Yong Ket Inn	(Appointed on 09.06.2015)
Chong Loong Men	(Retired on 18.12.2014)
Lai Pai Lan	(Resigned on 06.04.2015)
Yahya Bin Razali	(Resigned on 01.06.2015)
Dato' Chang Lik Sean	(Resigned on 01.06.2015)

DIRECTORS' INTERESTS

None of the Directors who held office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial period, no Directors of the Company received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of emoluments received or receivable by Directors as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company or any of its related corporations a party to any arrangement, whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:

a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there are no known bad debts and allowance need not be made for doubtful debts; and

b) to ensure that any current assets which were unlikely to realise their value in the ordinary course of business as shown in the accounting records had been written down to an amount which they might be expected so to realise.

OTHER STATUTORY INFORMATION (cont'd)

At the date of this report, the Directors are not aware of any circumstances:

a) which would necessitate the writing off of bad debts or the allowance for doubtful debts; or

b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or in the financial statements of the Group and of the Company which would render any amount stated in the financial statements of the Group and of the Company misleading.

In the opinion of the Directors:

a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction, or event of a material and unusual nature; and

b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events occurring during the financial year are disclosed in Note 29 to the financial statements.

SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

The significant events occurring after the financial year are disclosed in Note 30 to the financial statements.

NETX HOLDINGS BERHAD
(Incorporated in Malaysia)
Company No. 533441-W

AUDITORS

The auditors, ECOVIS AHL PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 27 October 2015.

....

TAN SIK EEK

Director

....

TENGKU AHMAD BADLI SHAH BIN RAJA HUSSIN

Director

NETX HOLDINGS BERHAD
(Incorporated in Malaysia)
Company No. 533441-W

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, **TAN SIK EEK** and **TENGKU AHMAD BADLI SHAH BIN RAJA HUSSIN**, being two of the Directors of **NETX HOLDINGS BERHAD**, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 9 to 66 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 32 on page 67, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 27 October 2015.

TAN SIK EEK	**TENGKU AHMAD BADLI SHAH BIN RAJA HUSSIN**
Director	Director

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **TAN SIK EEK**, being the Director primarily responsible for the financial management of **NETX HOLDINGS BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 9 to 66, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
TAN SIK EEK)
at Kuala Lumpur in the Federal Territory)
on 27 October 2015.

TAN SIK EEK
Director

Before me,

PESURUHJAYA SUMPAH
No: W494
LEONG SEE KEONG
MALAYSIA

84, Tingkat Bawah, Jalan Tuba,
Off Jalan Kampung Attap,
50460 Kuala Lumpur

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NETX HOLDINGS BERHAD

(Incorporated in Malaysia)
Company No: 533441-W

Report on the Financial Statements

We have audited the financial statements of NetX Holdings Berhad, which comprise the statements of financial position as at 30 June 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 66.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

ECOVIS AHL PLT (LLP0003185-LCA) & (AF 001825) Chartered Accountants, No 9-3, Jalan 109F, Plaza Danau 2, Taman Danau Desa, 58100 Kuala Lumpur, Malaysia
Phone: +60(3) 7981 1799 **Fax:** +60(3) 7980 4796 **E-Mail:**kuala-lumpur@ecovis.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NETX HOLDINGS BERHAD (cont'd)
(Incorporated in Malaysia)
Company No: 533441-W

Basis for Qualified Opinion

As stated in Note 7 to the financial statements, the carrying amount of the cash-generating unit, non-electronic payment services, inclusive of goodwill as of the year end exceeded its recoverable amount. Therefore, there was an impairment on the goodwill amount of RM9,761,353. The recoverable amount of the unit, being its value in use, was determined by the management based on the cash flow forecast and projections prepared. In this respect, key assumptions used in the said forecast and projections by their very nature depending on the economic situation and market volatility of products costs and products pricing. Accordingly, we are unable to ascertain whether the aforementioned cash flow forecast and projections would reasonably reflect future events and the set of economic condition that will exist and the resultant of further impairment loss on the carrying amount of goodwill, if any, that should be accounted for in the financial statements of the Group for the year ended 30 June 2015.

In view of the above, we are unable to obtain sufficient appropriate audit evidence that the remaining goodwill for non-electronic payment services with a net carrying amount of RM10,087,481 as to whether potential adjustment for further impairment loss is necessary in the financial statements of the Group for the year ended 30 June 2015.

Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 ("Act") in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

c) Other than those subsidiaries with emphasis of matter paragraphs in the auditors' reports as disclosed in Note 6 to the financial statements, the auditors' reports on the financial statements of the remaining subsidiaries did not contain any qualification or any adverse comments made under Section 174(3) of the Act.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NETX HOLDINGS BERHAD (cont'd)
(Incorporated in Malaysia)
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Other reporting responsibilities

The supplementary information set out in Note 32 on page 67 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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ECOVIS AHL PLT
AF 001825
Chartered Accountants

CHUA KAH CHUN
No. 2696/09/17 (J)
Chartered Accountant

Kuala Lumpur
27 October 2015

NETX HOLDINGS BERHAD
(Incorporated in Malaysia)
Company No : 533441-W

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	5,701,046	5,581,554	-	-
Investment in subsidiaries	6	-	-	8,111,308	21,250,232
Goodwill on consolidation	7	10,780,355	19,848,834	-	-
Deferred tax assets	8	2,296,391	3,159,256	-	-
		18,777,792	28,589,644	8,111,308	21,250,232
CURRENT ASSETS					
Inventories	9	617,867	1,342,029	-	-
Trade receivables	10	868,505	1,236,000	-	-
Other receivables, deposits and prepayments	11	959,822	246,311	881,825	213,728
Amount owing by subsidiaries	12	-	-	3,931,727	4,134,386
Cash and bank balances		2,478,861	3,356,533	1,089,290	2,614,599
		4,925,055	6,180,873	5,902,842	6,962,713
TOTAL ASSETS		23,702,847	34,770,517	14,014,150	28,212,945

The accompanying notes form an integral part of the financial statements.

NETX HOLDINGS BERHAD
(Incorporated in Malaysia)
Company No : 533441-W

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2015 (cont'd)

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	13	62,555,303	62,555,303	62,555,303	62,555,303
Reserves	14	(43,975,589)	(32,059,506)	(48,944,625)	(35,557,568)
Equity attributable to owners of the Company		18,579,714	30,495,797	13,610,678	26,997,735
Non-controlling interest		(60,144)	25,376	-	-
TOTAL EQUITY		18,519,570	30,521,173	13,610,678	26,997,735
LIABILITIES					
NON-CURRENT LIABILITY					
Borrowings	15	3,150,245	3,391,856	-	-
CURRENT LIABILITIES					
Trade payables	16	1,100,596	420,576	-	-
Other payables and accruals	17	629,762	160,836	403,472	60,890
Deferred income	18	41,763	-	-	-
Amount owing to a Director	19	2,823	-	-	-
Amount owing to subsidiaries	12	-	-	-	1,142,718
Tax payable		-	11,602	-	11,602
Borrowings	15	258,088	264,474	-	-
		2,033,032	857,488	403,472	1,215,210
TOTAL LIABILITIES		5,183,277	4,249,344	403,472	1,215,210
TOTAL EQUITY AND LIABILITIES		23,702,847	34,770,517	14,014,150	28,212,945

The accompanying notes form an integral part of the financial statements.

NETX HOLDINGS BERHAD
(Incorporated in Malaysia)
Company No : 533441-W

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

		Group		Company	
	Note	12 months ended 30.06.2015 RM	18 months ended 30.06.2014 RM	12 months ended 30.06.2015 RM	18 months ended 30.06.2014 RM
Revenue	21	3,580,660	5,170,920	-	-
Cost of sales		(3,576,495)	(7,057,668)	-	-
GROSS PROFIT/(LOSS)		4,165	(1,886,748)	-	-
Other income		116,279	816,818	1,048,198	47,987
Administrative expenses		(1,230,743)	(3,335,409)	(696,339)	(926,452)
Other operating expenses		(9,761,916)	(1,893,686)	(13,738,916)	(286,954)
OPERATING LOSS		(10,872,215)	(6,299,025)	(13,387,057)	(1,165,419)
Finance costs		(204,607)	(332,104)	-	-
LOSS BEFORE TAX	22	(11,076,822)	(6,631,129)	(13,387,057)	(1,165,419)
Tax (expenses)/income	23	(862,865)	788,641	-	31,778
LOSS FOR THE FINANCIAL YEAR/PERIOD		(11,939,687)	(5,842,488)	(13,387,057)	(1,133,641)
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
- Foreign currency translation differences		-	390,459	-	-
TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL YEAR/PERIOD		(11,939,687)	(5,452,029)	(13,387,057)	(1,133,641)
LOSS ATTRIBUTABLE TO:					
Owners of the Company		(11,916,083)	(5,840,290)	(13,387,057)	(1,133,641)
Non-controlling interests		(23,604)	(2,198)	-	-
		(11,939,687)	(5,842,488)	(13,387,057)	(1,133,641)
TOTAL COMPREHENSIVE EXPENSES ATTRIBUTABLE TO:					
Owners of the Company		(11,916,083)	(5,449,831)	(13,387,057)	(1,133,641)
Non-controlling interests		(23,604)	(2,198)	-	-
		(11,939,687)	(5,452,029)	(13,387,057)	(1,133,641)
LOSS PER SHARE (SEN)					
- Basic	24	(1.90)	(0.99)		
- Diluted	24	N/A	N/A		

The accompanying notes form an integral part of the financial statements.

NETX HOLDINGS BERHAD
(Incorporated in Malaysia)
Company No : 533441-W

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

		← Non-	Distributable	→	Distributable			
	Note	Share Capital RM	Share Premium RM	Exchange Fluctuation Reserve RM	Accumulated Losses RM	Attributable to Owners of the Company RM	Non-controlling Interest RM	Total Equity RM
GROUP								
At 1 January 2013		56,875,303	2,685,410	(390,459)	(28,818,179)	30,352,075	27,574	30,379,649
Loss for the financial period		-	-	-	(5,840,290)	(5,840,290)	(2,198)	(5,842,488)
Other comprehensive income for the financial period								
- Foreign currency translation differences		-	-	390,459	-	390,459	-	390,459
Total comprehensive expenses for the financial period		-	-	390,459	(5,840,290)	(5,449,831)	(2,198)	(5,452,029)
Transactions with owners								
- Issuance of shares via private placement	13	5,680,000	-	-	-	5,680,000	-	5,680,000
- Expenses on issuance of private placement	14	-	(86,447)	-	-	(86,447)	-	(86,447)
Total transactions with owners		5,680,000	(86,447)	-	-	5,593,553	-	5,593,553
At 30 June 2014/1 July 2014		62,555,303	2,598,963	-	(34,658,469)	30,495,797	25,376	30,521,173
Total comprehensive expenses for the financial year		-	-	-	(11,916,083)	(11,916,083)	(23,604)	(11,939,687)
Transaction with owners								
- Acquisition of a subsidiary	6	-	-	-	-	-	(61,916)	(61,916)
At 30 June 2015		62,555,303	2,598,963	-	(46,574,552)	18,579,714	(60,144)	18,519,570

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (cont'd)

	Note	*Non-Distributable* Share Capital RM	*Non-Distributable* Share Premium RM	*Distributable* Accumulated Losses RM	Total RM
COMPANY					
At 1 January 2013		56,875,303	2,685,410	(37,022,890)	22,537,823
Loss for the financial period/ Total comprehensive expenses for the financial period		-	-	(1,133,641)	(1,133,641)
Transactions with owners:					
- Issuance of shares via private placement	13	5,680,000	-	-	5,680,000
- Expenses on issuance of private placement	14	-	(86,447)	-	(86,447)
At 30 June 2014/1 July 2014		62,555,303	2,598,963	(38,156,531)	26,997,735
Loss for the financial year/ Total comprehensive expenses for the financial year		-	-	(13,387,057)	(13,387,057)
At 30 June 2015		62,555,303	2,598,963	(51,543,588)	13,610,678

The accompanying notes form an integral part of the financial statements.

NETX HOLDINGS BERHAD
(Incorporated in Malaysia)
Company No : 533441-W

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	Note	Group 12 months ended 30.06.2015 RM	Group 18 months ended 30.06.2014 RM	Company 12 months ended 30.06.2015 RM	Company 18 months ended 30.06.2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax		(11,076,822)	(6,631,129)	(13,387,057)	(1,165,419)
Adjustments for:					
Amortisation of deferred income	18	(12,299)	-	-	-
Impairment loss of:					
- trade receivable	10	-	7,000	-	-
- goodwill	7	9,761,353	281,103	-	-
- investment in subsidiaries	6	-	-	12,638,692	-
- amount owing by subsidiaries	12	-	-	-	286,954
Bad debt written off		-	502,038	-	-
Depreciation of property, plant and equipment	5	131,032	228,707	-	-
Loss on disposal of plant and equipment		-	18,604	-	-
Loss on disposal of subsidiaries		-	390,459	1,100,224	-
Gain on disposal of subsidiaries	6	(8)	-	-	-
Interest expense		204,607	332,104	-	-
Interest income		(42,467)	(56,134)	(37,669)	(47,987)
Deposits and prepayments written off		-	707,327	-	-
Plant and equipment written off	5	563	37,438	-	-
Waiver of debts by subsidiaries		-	-	(940,438)	-
Written down of inventories		-	1,143,209	-	-
Written off of inventories		84,466	262,998	-	-
Operating loss before working capital changes		(949,575)	(2,776,276)	(626,248)	(926,452)
Changes in working capital:					
Inventories		458,976	1,203,259	-	-
Trade receivables		367,875	(420,805)	-	-
Other receivables and prepayments		(708,249)	233,497	(668,097)	(205,205)
Amount owing by subsidiaries		-	-	1,233,797	(1,901,325)
Amount owing to subsidiaries		-	-	(1,233,418)	(12,040)
Amount owing to a Director		-	(21,863)	-	-
Trade payables		680,020	(1,050,484)	-	-
Other payables and accruals		19,169	(44,988)	42,582	16,488
Advance receipts for deferred income	18	9,427	-	-	-
Cash used in operation		(122,357)	(2,877,660)	(1,251,384)	(3,028,534)

The accompanying notes form an integral part of the financial statements.

NETX HOLDINGS BERHAD

(Incorporated in Malaysia)
Company No : 533441-W

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (cont'd)

	Note	Group 12 months ended 30.06.2015 RM	Group 18 months ended 30.06.2014 RM	Company 12 months ended 30.06.2015 RM	Company 18 months ended 30.06.2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES (cont'd)					
Cash used in operation		(122,357)	(2,877,660)	(1,251,384)	(3,028,534)
Interest paid		(204,607)	(332,104)	-	-
Tax paid		(11,602)	(2,947)	(11,602)	-
Net cash used in operating activities		(338,566)	(3,212,711)	(1,262,986)	(3,028,534)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of a subsidiary, net of cash acquired	6	(285,359)	-	(300,000)	-
Proceeds from disposal of subsidiaries		8	-	8	-
Interest received		42,467	56,134	37,669	47,987
Proceeds from disposal of plant and equipment		-	110,249	-	-
Purchase of plant and equipment		(48,225)	(3,989)	-	-
Net cash (used in)/generated from investing activities		(291,109)	162,394	(262,323)	47,987
CASH FLOWS FROM FINANCING ACTIVITIES					
Fixed deposits released as securities		-	1,223,626	-	-
Proceeds from issuance of share via private placement (net)		-	5,593,553	-	5,593,553
Repayments of hire purchase payables		-	(80,149)	-	-
Net movement on term loans		(247,997)	(365,656)	-	-
Net cash (used in)/generated from financing activities		(247,997)	6,371,374	-	5,593,553

The accompanying notes form an integral part of the financial statements.

NETX HOLDINGS BERHAD
(Incorporated in Malaysia)
Company No : 533441-W

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015 (cont'd)

	Note	Group 12 months ended 30.06.2015 RM	Group 18 months ended 30.06.2014 RM	Company 12 months ended 30.06.2015 RM	Company 18 months ended 30.06.2014 RM
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(877,672)	3,321,057	(1,525,309)	2,613,006
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR/PERIOD		3,356,533	35,476	2,614,599	1,593
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR/ PERIOD		2,478,861	3,356,533	1,089,290	2,614,599
CASH AND CASH EQUIVALENTS COMPRISE:					
Cash and bank balances		2,478,861	3,356,533	1,089,290	2,614,599

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated and domiciled in Malaysia.

The Company is principally involved in the investment holding, research and development of software, system design, integration and installation and provision of information technology services. The principal activities of the subsidiary companies are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year other than the new activity of sale and rental of Electronic Fund Transfer at Point of Sale ("EFTPOS") terminals as ventured by the Group during the financial year.

The principal place of business and the registered office are as follows:

Principal place of business	:	Wisma Ariantec, 1-3, Street Wing, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.
Registered office	:	802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors on 27 October 2015.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise stated in the summary of significant accounting policies.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2. BASIS OF PREPARATION (cont'd)

2.1 Adoption of Amendments to MFRSs and IC Interpretations during the current financial year

MFRS (Including The Consequential Amendments)		Effective Date
Amendments to MFRS 10	Consolidated Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Investment Entities	1 January 2014
Amendments to MFRS 127	Separate Financial Statements (2011): Investment Entities	1 January 2014
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014
Amendments to MFRS 119 (2011)	Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle		1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle		1 July 2014

There is no material impact upon adoption of the above Amendments to MFRSs and IC Interpretations during the current financial year.

2.2 Standards issued but not yet effective

The Company has not applied in advance the following accounting standards (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:

MFRS (Including The Consequential Amendments)		Effective Date
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 101	Disclosure Initiative	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Annual Improvements to MFRSs 2012-2014 Cycle		1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2017
MFRS 9	Financial Instruments	1 January 2018

2. BASIS OF PREPARATION (cont'd)

2.2 Standards issued but not yet effective (cont'd)

The above accounting standards (including the consequential amendments) is not expected to have any material impact on the Group's financial statements other than as follows:

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities, as well as general hedge accounting. It replaces MFRS 139. MFRS 9 requires financial assets to be classified into two measurement categories, i.e. at fair value and at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. MFRS 9 contains a new impairment model based on expected losses (as oppose to 'incurred loss' model under MFRS 139), i.e. a loss event needs nit occur before an impairment loss is recognised, which will result in earlier recognition of losses.

The Group is currently assessing the impact to the financial statements upon adopting MFRS 9, and intends to adopt MFRS 9 on the mandatory effective date.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 introduces a new model for revenue recognition arising from contracts with customers. MFRS 15 will replace supersede MFRS 111 Construction contracts, MFRS 118 Revenue, IC 13 Customer Loyalty Programmes, IC 15 Agreements for the Construction of Real Estate, IC 18 Transfers of Assets from Customers and IC 31 Revenue - Barter Transactions Involving Advertising Services. The application of MFRS 15 may result in difference in timing of revenue recognition as compared with current accounting policies.

The Company is currently assessing the impact to the financial statements upon adopting MFRS 15, and will adopt MFRS 15 on the mandatory effective date.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Subsidiaries and Basis of Consolidation

i. Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group considers it has de factor power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are stated in the Company's statement of financial position at cost less impairment losses, unless the investment is held for sale. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

ii. Business Combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interest issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

a) Subsidiaries and Basis of Consolidation (cont'd)

iii. Acquisition of Non-controlling Interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

iv. Loss of Control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

v. Non-controlling Interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and other comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

vi. Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Goodwill (cont'd)

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquire (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

c) Property, Plant and Equipment, and Depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss as incurred.

The property, plant and equipment are depreciated on the straight line basis to write off the cost of the assets over their estimated useful lives. The annual rates used are as follows:

	Rate % /year
Leasehold building	97 years
EFTPOS Terminals	8 years
Furniture and fittings	10
Motor vehicle	20
Office equipment	10 - 33
Renovation	10 - 20

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

The residual values and useful lives of assets are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the financial year the asset is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined based on the first in, first out basis and is the aggregate of the original cost of purchases plus the cost of bringing the inventories to their present conditions and locations.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

e) Financial Instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group or the Company become a party to the contract provisions of the financial instruments.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

The Group or the Company categorise the financial instruments as follows:

(i) Financial Assets

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss if they are held for trading, including derivatives, or are designated as such upon initial recognition.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised as other gains or losses in statements of comprehensive income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on settlement date.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market, trade and other receivables and cash and cash equivalents are classified as loans and receivables.