

NETX HOLDINGS BERHAD

Company Registration No. 200001030834 (533441-W)
(Incorporated in Malaysia)

MINUTES OF THE TWENTY-THIRD (23RD) ANNUAL GENERAL MEETING OF NETX HOLDINGS BERHAD ("NETX" OR "THE COMPANY") HELD BY WAY OF VIRTUAL BASIS AND ENTIRELY VIA REMOTE PARTICIPATION AND VOTING FROM THE BROADCAST VENUE AT LOT 4.1, 4TH FLOOR, MENARA LIEN HOE, NO. 8, PERSIARAN TROPICANA, TROPICANA GOLF & COUNTRY RESORT, 47410 PETALING JAYA, SELANGOR DARUL EHSAN VIA ONLINE MEETING PLATFORM AT <https://rebrand.ly/NetX-AGM> ON MONDAY, 29 APRIL 2024 AT 10.00 A.M.

Directors Present : Dato' Sri Wan Ahmad Najmuddin Bin Mohd (*Chairman*)
Mr. Tan Sik Eek
Mr. Yong Ket Inn
Ms. Ong Siew Min
Mr. Chen Chee Peng

In Attendance : Ms. Lee Shiah Mun
Mr. Chong Voon Wah (*Company Secretary*)

Shareholders / Proxies Present : As per the attendance list

1. CHAIRMAN

Dato' Sri Wan Ahmad Najmuddin Bin Mohd ("the Chairman") presided at the meeting and welcomed the members to the Twenty-Third (23rd) Annual General Meeting ("23rd AGM") of the Company.

2. QUORUM

There being a quorum present at the meeting, the Chairman declared the meeting duly convened at 10.00 a.m.

3. NOTICE

With the consent of the meeting, the Notice of 23rd AGM dated 29 March 2024 ("Notice") convening the meeting having been circulated within the prescribed period was taken as read.

4. PRELIMINARY

The Chairman informed the meeting that the 23rd AGM will be conducted by way of a virtual basis and online remote voting using the Remote Participation and Voting ("RPV") facilities. A short system briefing on the voting process using the RPV facilities was shown during the meeting and duly noted by the shareholders.

Before proceeding with the agendas of the meeting, the Chairman invited the management to present a snapshot of the business activities of NetX Group for the shareholders' information.

The Chairman then briefed the meeting that pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company must ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. At the same time, the Company must appoint at least one (1) scrutineer to validate the votes cast at the general meeting. Such scrutineer must not be an officer of the Company or its related corporation, and must be independent of the person undertaking the polling process.

The Chairman further informed that the Company has appointed ShareWorks Sdn. Bhd. as poll administrator to conduct the electronic polling process and SharePolls Sdn. Bhd. ("Scrutineer") as the independent scrutineer to verify the poll results.

With the consent and approval of the meeting, the Chairman informed that the polling process for all the resolutions would be conducted upon completion of the deliberation of all items to be transacted at the 23rd AGM.

5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2023

The Audited Financial Statements of the Company and of the Group for the financial year ended 30 November 2023, together with the Reports of the Directors and Auditors thereon ("Audited Financial Statements") was tabled during the meeting for the shareholders' discussion.

The Chairman informed that the Company had received a letter dated 22 April 2024 from the Minority Shareholders Watch Group ("MSWG"). The questions from MSWG together with the Company's reply, as **Appendix I** enclosed herewith, was projected during the meeting for the shareholders' information.

The Chairman informed the meeting that the Audited Financial Statements of the Company is meant for discussion only as Section 340(1) of the Companies Act 2016 provides that the Audited Financial Statements are to be laid in the general meeting. In relation thereto, the Audited Financial Statements of the Company is not put forward for voting. As such, the Chairman concluded that the Audited Financial Statements submitted to the meeting was duly noted and received.

6. ORDINARY RESOLUTION 1 PAYMENT OF DIRECTORS' FEES AND BENEFITS

The Chairman informed that Ordinary Resolution 1 is to approve the payment of the Directors' fees and benefits to the Non-Executive Directors of the Company.

The Chairman then put the motion to vote the following Ordinary Resolution 1 by way of poll upon completion of the remaining businesses of the meeting:

“THAT the payment of Directors’ fees and benefits of up to RM500,000.00 to the Non-Executive Directors of the Company for their services from 29 April 2024 until the conclusion of the next Annual General Meeting of the Company be and is hereby approved.”

7. ORDINARY RESOLUTION 2
RE-ELECTION OF MR. YONG KET INN

The Chairman informed that Ordinary Resolution 2 is to re-elect Mr. Yong Ket Inn, who retires pursuant to Clause 115 of the Company’s Constitution and being eligible, had offered himself for re-election.

The Chairman then put the motion to vote the following Ordinary Resolution 2 by way of poll upon completion of the remaining businesses of the meeting:

“THAT Mr. Yong Ket Inn, who is retiring pursuant to Clause 115 of the Company’s Constitution, be re-elected as a Director of the Company.”

At this juncture, the Chairman declared his interest in Ordinary Resolution 3 in respect of the proposed re-election of himself as a Director of the Company. As such, he invited Mr. Yong Ket Inn (“Mr. Yong”) to chair the meeting for Ordinary Resolution 3.

8. ORDINARY RESOLUTION 3
RE-ELECTION OF DATO’ SRI WAN AHMAD NAJMUDDIN BIN MOHD

Mr. Yong informed that Ordinary Resolution 3 is to re-elect Dato’ Sri Wan Ahmad Najmuddin Bin Mohd, who retires pursuant to Clause 125 of the Company’s Constitution and being eligible, had offered himself for re-election.

Mr. Yong then put the motion to vote the following Ordinary Resolution 3 by way of poll upon completion of the remaining businesses of the meeting:

“THAT Dato’ Sri Wan Ahmad Najmuddin Bin Mohd, who is retiring pursuant to Clause 125 of the Company’s Constitution, be re-elected as a Director of the Company.”

At this juncture, Mr. Yong handed over the chair back to the Chairman for the remaining agendas of the meeting.

9. ORDINARY RESOLUTION 4
RE-APPOINTMENT OF EXTERNAL AUDITORS

The Chairman informed that Ordinary Resolution 4 is to re-appoint Messrs SBY Partners PLT as the Company’s external auditors for the ensuing year and to authorise the Directors to fix their remuneration.

The Chairman then put the motion to vote the following Ordinary Resolution 4 by way of poll upon completion of the remaining businesses of the meeting:

“THAT Messrs SBY Partners PLT be and is hereby re-appointed as the Company’s external auditors for the ensuing year AND THAT the Board of Directors be authorised to determine their remuneration.”

10. SPECIAL BUSINESS - ORDINARY RESOLUTION 5
AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016

The Chairman informed that Ordinary Resolution 5 of the meeting is to seek approval from the shareholders to authorise the Directors of the Company to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.

The Chairman then put the motion to vote the following Ordinary Resolution 5 as set out in the Notice by way of poll upon completion of the remaining businesses of the meeting:

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“the Act”) and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT pursuant to Section 85 of the Act to be read together with Clause 70 of the Constitution of the Company, approval be and is hereby given for the Company to waive the statutory pre-emptive rights of the shareholders and empower the Directors of the Company to issue and allot new ordinary shares pursuant to Sections 75 and 76 of the Act without offering them to the existing members to maintain their relative voting and distribution right and such new shares shall rank pari passu in all respects with the existing class of ordinary shares.”

11. SPECIAL BUSINESS – ORDINARY RESOLUTION 6
PROPOSED NEW SHAREHOLDERS’ MANDATE AND RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS’ MANDATE”)

The Chairman informed that the next item on the agenda is to seek the shareholders’ approval for the Proposed Shareholders’ Mandate, the details of which have been provided in the Company’s Circular to Shareholders dated 29 March 2024.

The Chairman then put the motion to vote the following Ordinary Resolution 6 as set out in the Notice by way of poll upon completion of the remaining businesses of the meeting:

“THAT, subject to compliance with all applicable laws, regulations and guidelines, approval be and is hereby given to the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature with related parties as set out in Section 2.4 of the Circular to Shareholders dated 29 March 2024 for the purposes of Rule 10.09 of the ACE

Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), subject to the following:

- (i) the transactions are necessary for the day to day operations of the Company's subsidiary in the ordinary course of business, at arm's length, on normal commercial terms and are on terms not more favourable to the related party than those generally available to the public and not detrimental to minority shareholders of the Company;
 - (ii) the mandate is subject to annual renewal. In this respect, any authority conferred by a mandate shall only continue to be in force until:
 - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
 - (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340 (2) of the Companies Act, 2016 ("CA") (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of CA); or
 - (c) revoked or varied by resolution passed by the shareholders in a general meeting, whichever is the earlier.
 - (iii) disclosure is made in the annual report of the Company of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the mandate during the current financial year, and in the annual reports for the subsequent financial years during which a shareholder's mandate is in force, where:
 - (a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1.0 million; or
 - (b) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%,whichever is the higher;
- and amongst other, based on the following information:
- (a) the type of the Recurrent Related Party Transactions made; and
 - (b) the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationships with NetX Group.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

12. ANY OTHER BUSINESS

After verified and confirmed with the Company Secretary, the Chairman informed that there was no other business to be transacted at the 23rd AGM.

13. QUESTIONS AND ANSWERS DISCUSSED AT THE AGM

The Chairman then invited questions from the shareholders relating to the resolutions tabled at the 23rd AGM.

As there was no question received from the shareholders, the meeting then proceeded with the proceeding of the polling process.

14. POLLING PROCESS

After the shareholders cast their votes, the Chairman, with the consent of the meeting, adjourned the meeting at 10.31 a.m. for the counting and verification of the poll results.

15. ANNOUNCEMENT OF POLL RESULTS

At 10.51 a.m., the Chairman called the meeting to order for the declaration of results. He informed that he had received the poll results from the Scrutineers as follows:

Resolutions	Voted	No. of Shareholders	No. of Shares	% of Shares	Result
<u>Ordinary Resolution 1</u> To approve the payment of Directors' fees and other benefits payable to the Directors	For	19	253,277,807	99.9987	Accepted
	Against	8	3,326	0.0013	
<u>Ordinary Resolution 2</u> To re-elect Mr Yong Ket Inn as Director	For	22	253,277,904	99.9987	Accepted
	Against	5	3,229	0.0013	
<u>Ordinary Resolution 3</u> To re-elect Dato' Sri Wan Ahmad Najmuddin Bin Mohd as Director	For	21	253,275,904	99.9987	Accepted
	Against	5	3,229	0.0013	
<u>Ordinary Resolution 4</u> To re-appoint Messrs SBY Partners PLT as External Auditors of the Company and to authorise the Directors to fix their remuneration	For	23	253,277,914	99.9987	Accepted
	Against	4	3,219	0.0013	

Ordinary Resolution 5 To approve the authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016	For	20	253,275,824	99.9987	Accepted
	Against	6	3,309	0.0013	
Ordinary Resolution 6 To approve the Proposed New Shareholders' Mandate and Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	For	22	46,003,054	99.9930	Accepted
	Against	5	3,229	0.0070	

The Chairman informed that based on the poll results, he thereby declared that all the resolutions set out in the Notice as carried.

16. TERMINATION

There being no other business, the meeting ended at 10.52 a.m. with a vote of thanks from the Chairman.

**Confirmed as a correct record of
the proceedings thereat**

Signed

DATO' SRI WAN AHMAD NAJMUDDIN BIN MOHD
Chairman

Date: 29th April 2024

Minority Shareholders Watch Group

Level 23, Unit 23-2, Menara AIA Sentral
No. 30, Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

Appendix I

Dear Sir/Madam,

**Re: 23rd Annual General Meeting ("AGM") of NetX Holdings Berhad ("NetX" or the "Group")
to be held on Monday, 29th April 2024**

We refer to the letter dated 22 April 2024.

As requested, we enclosed NetX's response to the matters raised in your letter.

Best Regards,

A handwritten signature in black ink, appearing to be "Tan Sik Eek", written over a horizontal line.

Mr. Tan Sik Eek
Executive Director

Operational & Financial Matters

1. The non-electronic payment segment achieved a higher revenue of RM9.90 million in the current year compared to RM6.83 million in the preceding year. The improved revenue mainly contributed from higher project sales of network equipment and infrastructure in the current year (page 7 of Annual Report (AR) 2023).

- a) What is the current backlog of orders for this business segment?

NetX's response:

As at 30 November 2023, the Group has several ongoing contracts mainly for maintenance support of network equipment and infrastructure valued at RM2,375,625 (as disclosed in Note 15 to the financial statements) over a period of 6 to 24 months.

- b) What strategic initiatives does the Group intend to undertake to offset any potential decline in sales and earnings from this key segment, which significantly contributes to the Group's overall sales and earnings?

NetX's response:

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. The revenue from this segment is dependent on secured projects and the revenue is expected to be volatile. The Group maintains good relationships with our customers while continuously innovate its products and services to meet evolving customer demands.

2. The revenue from electronic payment services segment decreased from RM0.58 million last year to RM0.36 million, and loss before tax increased from RM3.61 million last year to RM8.26 million this year. The higher loss was mainly due to an increase in amortization of intangible assets by RM3.02 million, higher marketing expenses and impairment on intangible assets of RM0.55 million, which there was none in the previous year (page 7 of AR2023).

Operational & Financial Matters (Cont'd)

Question 2 (Cont'd)

- a) Why does the contribution of electronic payment services sales to the Group's Sales remain minimal at this point? What strategies does the Group plan to implement to rejuvenate this segment?

Year	2020	2021	2022	2023
Electronic Payment Services Segment Sales	365,058	1,148,391*	578,106	358,262
Group's Sales	14,897,440	11,722,233	13,653,617	16,831,630
Electronic Payment Services Segment Contribution to the Group	2.5%	9.8%	4.2%	2.1%

** The revenue from this segment improved mainly due to higher revenue from sales of terminal and new revenue from licensed money lending and money services business.*

NetX's response:

Under the electronic payment services and software licensing segment, the Group is involved in, among others, the provision of payment software licensing, mobile payment solutions and support services, master merchant services, deployment of payment terminals as well as money exchange services. The Group intends to continue securing more strategic partnerships with other payment services companies to offer additional services to both current and potential customers. As for money exchange services, the Group is deliberating plans for expansion of more money changer outlets in strategically located tourist destinations.

Operational & Financial Matters (Cont'd)

Question 2 (Cont'd)

- b) What was the targeted revenue for this segment, and did it fall below expectations? If so, what is the primary reason for the weaker-than-expected revenue from this segment?

NetX's response:

The targeted revenue was below expectations, mainly due to no revenue generated from our eFX platform. Currently, the eFX platform is in the approval stage, pending approval from Bank Negara Malaysia to allow money changers to be onboard as eFX merchants and to use eFX as an application to transact and record their money changing activities.

- c) How much higher are the marketing expenses compared to the previous year? Why did higher marketing expenses result in lower revenue than the previous year? Has the Group identified the root cause of this issue?

NetX's response:

Overall, the marketing expenses have increased by 40.07% as compared to the previous year. These marketing expenses mainly consist of advertising expenses for the Group's money exchange services and related software licensing and services (eFX platform). At present, the eFX platform is in the approval stage, pending approval from Bank Negara Malaysia to allow money changers to be onboard as eFX merchants and use eFX as an application to transact and record their money changing activities. The purpose of the advertising initiatives is to create brand awareness and attract more customers.

Operational & Financial Matters (Cont'd)

3. The GEM segment comprises of GemLive, GemSpot and Miss J Florist. This business segment was the third highest revenue contributor to the Group (page 7 of AR2023).

- a) Please provide the sales and income breakdown for GemLive, GemSpot, and Miss J Florist within the GEM segment.

NetX's response:

The revenue stream from the GEM segment mainly comes from GemSpot, Miss J Florist, and Miss J Café. The total revenue contributed by the GEM segment in FYE2022 was RM1.85 million, with 42% from GemSpot, 29% from Miss J Florist, and 29% from Miss J Café.

- b) Among GemLive, GemSpot, and Miss J Florist, which services contribute the most and the least to the GEM segment, and what are the reasons behind these contributions?

NetX's response:

GemSpot is the core business under the GEM segment. GemSpot is a tech-based mobile and web application disrupting the entertainment, F&B, events and celebration planning sectors. GemSpot services include food delivery, gifting services, talent hiring and select on demand concierge services. The deployment of resources is mainly focused towards GemSpot which is aligned to the proceeds from the previous fund raising earmarked for development and marketing of GemSpot. On the other hand, Miss J Café and Miss J Florist are regarded as businesses that complements the business of GemSpot.

Operational & Financial Matters (Cont'd)

Question 3 (Cont'd)

- c) What is the primary reason for the ongoing losses of RM 7.61 million within the GEM segment for FYE2023? What is the outlook for this business segment?

NetX's response:

The losses of RM 7.61 million was due to lower revenue achieved in FYE2023 and high amortisation cost, e-commerce subscription fees and impairment of intangible asset. Since Malaysia transitioned into the endemic phase in April 2022, the domestic F&B e-commerce spending has experienced a downward trend due to the removal of movement control orders. Notably, consumers have altered their habits, especially in terms of dining preferences. The increasing popularity of dining out has led customers to opt for the experience of eating at restaurants or other food establishments, rather than relying on food delivery services. This has adversely affected the transaction volume through our GemSpot application.

In response to this change in user spending patterns, the management is proactively moving forward with the redevelopment of the GemSpot application to incorporate business intelligence and data analytics system into the application. The business intelligence and data analytics systems is expected to allow the Group to obtain meaningful and useful insights on consumer preferences, buying behaviours which allows for the Group to better enhance the consumers' experiences, and allow the F&B merchants to adopt a more tailored and targeted marketing and advertising strategies.

4. Currently, most of the properties are rented out and the Group is negotiating with various prospective tenants to lease out the remaining retail unit at Sungei Wang Plaza (page 10 of AR2023).

- a) How many remaining retail units at Sungei Wang Plaza to lease out?

NetX's response:

At present there are 3 retails units at Sungei Wang Plaza which are vacant.

Operational & Financial Matters (Cont'd)

Question 4 (Cont'd)

- b) Since most of the properties are rented out, what specific factors are contributing to the ongoing losses in the investment properties segment?

NetX's response:

The losses are mainly contributed by the depreciation of investment properties amounting to RM1,418,542 and finance costs amounting to RM1,939,918.

- c) Were the losses in this business segment expected? If so, when can the Company anticipate a turnaround in earnings for this segment?

NetX's response:

The loan instalments for the shoplot units at Sunsuria Avenue and the retail units at Sungei Plaza and will be fully repaid in year 2025 and 2027, respectively. The interest expenses on these loans will reduce over their tenures and with anticipation of higher occupancy rate for these investment properties, this segment is poised to contribute earnings in the near future.

The properties are strategically located near the entrance of Sungei Wang Plaza. Three of the properties are fronting the entrance of Sungei Wang Plaza or fronting Sungei Wang Walk. Over the medium and long-term, the properties have strong potential for capital appreciation given their strategic location in the heart of Bukit Bintang.

Operational & Financial Matters (Cont'd)

5. The administrative expenses of the Group of RM26.94 million in current year was higher, compared to RM18.97 million in the preceding year mainly due to higher operating expenses in GEM's E-Commerce application and higher marketing expenses and amortization of intangible assets on money exchange platform (page 5 of AR2023).

		Group 2023 RM	2022 RM
REVENUE	26	16,831,630	13,653,617
COST OF SALES		(8,406,674)	(9,258,641)
GROSS PROFIT		8,424,956	4,394,976
OTHER OPERATING INCOME		12,118,397	9,374,450
ADMINISTRATIVE EXPENSES		(26,935,122)	(18,968,591)
OTHER OPERATING EXPENSES		(5,824,540)	(8,737,274)
LOSS FROM OPERATIONS		(12,216,309)	(13,936,439)
FINANCE COSTS	27	(2,058,733)	(2,162,657)
LOSS BEFORE TAXATION	28	(14,275,042)	(16,099,096)
INCOME TAX CREDIT	29	-	5,773
LOSS FOR THE FINANCIAL YEAR		(14,275,042)	(16,093,323)

- a) Please provide a detailed breakdown of the administrative expenses for the current year and the year before.

NetX's response:

Breakdown as below:

	2023 RM	2022 RM
Marketing Expenses	4,710,491	3,326,676
Premises and Utilities	511,513	411,612
General and Administrative Expenses	12,086,017	8,226,837
Professional Fees	1,991,171	2,016,799
Depreciation and Amortisation	7,635,930	4,986,667
Total Administrative Expenses	26,935,122	18,968,591

Operational & Financial Matters (Cont'd)

Question 5 (Cont'd)

- b) Are there any plans or strategies in place to manage or reduce administrative expenses in the future?

NetX's response:

The Group is in the process of streamlining its business operations while identifying and eliminating idle costs as part of cost-cutting measures across all subsidiaries. The Group is also constantly identifying suitable business with the aim of generating promising income.

6. The Group's trade receivables credit impaired that were past due more than 180 days have increased significantly from RM0.6 million in FYE2022 to RM2.5 million in FYE2023 (page 121 of AR2023).

The following table provides information about the exposure to credit risk for trade receivables as at the end of the reporting date:

	Group	
	2023 RM	2022 RM
Not past due	1,553,232	1,814,383
Past due but not impaired:		
- 1 to 90 days	5,807,235	5,548,479
- 91 to 180 days	3,475,914	1,632,708
- more than 180 days	2,500,639	613,113
	11,783,788	7,794,300
Impaired	7,195,836	5,613,008
	20,532,856	15,221,691

- a) What were the difficulties faced by the Group in the collection of the trade receivables that were past due more than 180 days as the outstanding amount increased significantly?

Operational & Financial Matters (Cont'd)
Question 6a (Cont'd)

NetX's response:

The amount past due more than 180 days was mainly contributed from the Money lending services segment. As at the reporting date, certain debtors had difficulties in servicing the repayments due to restrained cashflow position. The Group's has a robust policy in place to deal with such circumstances where the credit control team follows up closely with the customers on the repayment status and at the same time, offering flexible repayment plans to ease customers to repay the outstanding amounts.

- b) Who are the customers and who make up this category (past due 180 days) of the Group's receivables on FYE2023 and what are their profiles?

NetX's response:

The amount past due more than 180 days was mainly contributed from the Money lending services segment which consists of several loan products. Our customers comprise of micro, small and medium enterprises ("MSMEs") and the general public.

- c) To-date, how much of the overdue amount has been collected?

NetX's response:

As of 29th April 2024, the Group has collected RM49,338.

Corporate Governance Matters

1. Mr. Tan Sik Eek, an Executive Director (ED) of NetX also sits on the Board of Mlabs Systems Berhad, XOX Bhd, Symphony Life Berhad as an Executive Director and managing director of Fintec Global Berhad (page 20 of AR2023).

Considering that Mr. Tan Sik Eek is already a director holding a full-time executive position in the Group, would he be able to have the time commitment to carry out his duties as a director effectively and as full-time staff of four public listed companies?

Corporate Governance Matters (Cont'd)

Question 1 (Cont'd)

NetX's response:

As far as NetX is concerned, we have an organisation structure where all operating subsidiaries have their own business heads who actively manage their respective subsidiaries. At NetX Group level, Mr Tan's key function is to provide strategy and direction of the Group while the respective business heads to oversees the day-to-day management.

2. The remuneration of Mr. Tan Sik Eek, an ED of NetX is as follows: -

ED Remuneration	2019	2020	2021	2022	2023
Fees	460,345	332,065	665,897	799,394	876,040
Salaries	110,500	78,000	289,500	372,000	378,000
Others	14,568	10,283	79,343	146,422	168,359
Total	585,413	420,348	1,034,740	1,317,816	1,422,399

Revenue	9,993,000	14,897,000	11,722,000	13,654,000	16,832,000
Loss attributable to ordinary equity holders of the company	- 30,644,000	- 15,871,000	- 20,792,000	- 15,632,000	- 13,525,000

Source: NetX Annual report 2019 to 2023

Despite the Group consistently reporting losses, there was still a significant increase in Mr. Tan Sik Eek's director fees from 2021. Please justify.

NetX's response:

The remuneration paid to the Executive Director is commensurate with remuneration paid to executive directors of other public listed companies of similar size and diversity of operations. The increase in remuneration also took into account the increased responsibilities arising from addition of new businesses and investments undertaken by the Group.

Corporate Governance Matters (Cont'd)

3. The Group has departed from the Practice 5.9 of MCCG which suggests that the Board comprises at least 30% women directors. The Board currently has one (1) female only among its five (5) members, which represents about 20% of the Board composition (page 28 of CG report).

Given the current disparity in gender representation on the Board, when does the Board plan to appoint additional female directors?

NetX's response:

The Board is in the process of evaluating and matching the criteria of the potential candidate to be in line with the MCCG.