

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR CURRENT QUARTER AND YEAR TODATE ENDED 28 FEBRUARY 2021**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>CURRENT YEAR QUARTER 28/02/2021 RM'000</u>	<u>PRECEDING YEAR QUARTER 28/02/2020 RM'000</u>	<u>CURRENT YEAR TO DATE 28/02/2021 RM'000</u>	<u>PRECEDING YEAR TO DATE 28/02/2020 RM'000</u>
REVENUE	3,774	3,662	3,774	3,662
COST OF SALES	(3,325)	(1,634)	(3,325)	(1,634)
GROSS PROFIT	449	2,028	449	2,028
OTHER INCOME	489	35	489	35
ADMINISTRATION EXPENSES	(4,195)	(2,523)	(4,195)	(2,523)
OTHER OPERATING EXPENSES	(8,058)	(4,425)	(8,058)	(4,425)
PROFIT / (LOSS) FROM OPERATIONS	(11,315)	(4,885)	(11,315)	(4,885)
FINANCE COST	(58)	(30)	(58)	(30)
PROFIT / (LOSS) BEFORE TAX	(11,373)	(4,915)	(11,373)	(4,915)
INCOME TAX EXPENSES	(1)	(1)	(1)	(1)
NET PROFIT / (LOSS) FOR THE PERIOD	(11,374)	(4,916)	(11,374)	(4,916)
OTHER COMPREHENSIVE INCOME	214	944	214	944
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD	<u>(11,160)</u>	<u>(3,972)</u>	<u>(11,160)</u>	<u>(3,972)</u>
NET PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE COMPANY	(10,438)	(4,405)	(10,438)	(4,405)
NON-CONTROLLING INTEREST	(936)	(511)	(936)	(511)
	<u>(11,374)</u>	<u>(4,916)</u>	<u>(11,374)</u>	<u>(4,916)</u>
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	(10,236)	(3,435)	(10,236)	(3,435)
NON-CONTROLLING INTEREST	(924)	(537)	(924)	(537)
	<u>(11,160)</u>	<u>(3,972)</u>	<u>(11,160)</u>	<u>(3,972)</u>
EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY :				
Basic (sen)	<u>(1.25)</u>	<u>(0.12)</u>	<u>(1.25)</u>	<u>(0.12)</u>

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 November 2020 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2021

	AS AT 28 Feb 2021 Unaudited RM'000	AS AT 30 Nov 2020 Audited RM'000
<u>ASSETS</u>		
<u>NON-CURRENT ASSETS</u>		
Plant and Equipment	5,880	6,252
Investment Properties	5,767	5,781
Right Of Use Asset	60	58
Intangible Assets	18,076	13,853
Other Investments	812	13,524
Goodwill on Consolidation	1,497	-
	<u>32,092</u>	<u>39,468</u>
<u>CURRENT ASSETS</u>		
Inventories	2	2
Trade Receivables	3,581	7,988
Other Receivables, Deposits and Prepayment	14,237	19,699
Current Tax Assets	5	5
Short Term Investment	33,213	40,055
Cash and Bank Balances	73,168	60,593
	<u>124,206</u>	<u>128,342</u>
TOTAL ASSETS	<u><u>156,298</u></u>	<u><u>167,810</u></u>
<u>EQUITIES AND LIABILITIES</u>		
<u>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</u>		
Share Capital	205,877	205,877
Warrant Reserve	19,226	19,226
Foreign Exchange Reserve	672	470
Retained Profits	(69,633)	(59,195)
	<u>156,142</u>	<u>166,378</u>
Non-Controlling Interest	(4,106)	(3,911)
TOTAL EQUITY	<u>152,036</u>	<u>162,467</u>
<u>NON-CURRENT LIABILITIES</u>		
Term Loan	1,532	1,624
Deferred Tax Liability	135	127
	<u>1,667</u>	<u>1,751</u>
<u>CURRENT LIABILITIES</u>		
Trade Payables	436	2,432
Other Payables and Accruals	1,068	387
Lease Liabilities	61	59
Contract Liabilities	660	344
Term Loan	370	370
	<u>2,595</u>	<u>3,592</u>
TOTAL LIABILITIES	4,262	5,343
TOTAL EQUITIES AND LIABILITIES	<u><u>156,298</u></u>	<u><u>167,810</u></u>
Net Assets per share attributable to owners of the Company (RM)	0.19	0.20

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR TODATE ENDED 28 FEBRUARY 2021

	← ATTRIBUTABLE TO OWNER OF THE PARENT →						NON CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
	← NON - DISTRIBUTABLE →			← DISTRIBUTABLE →				
	SHARE CAPITAL RM'000	SHARE OPTION RESERVE RM'000	WARRANT RESERVE RM'000	FOREIGN EXCHANGE RESERVE RM'000	ACCUMULATED LOSSES RM'000	TOTAL RM'000		
As at 1 December 2020	205,877	-	19,226	470	(59,195)	166,378	(3,911)	162,467
Loss after taxation	-	-	-	-	(10,438)	(10,438)	(936)	(11,374)
Other Comprehensive loss:								
Foreign Currency translation reserve	-	-	-	202	-	202	12	214
Total Comprehensive loss for the financial period	-	-	-	202	(10,438)	(10,236)	(924)	(11,160)
Transactions with owners:								
Acquisition of subsidiary	-	-	-	-	-	-	729	729
Total Transactions with owners:	-	-	-	-	-	-	729	729
As at 28 February 2021	205,877	-	19,226	672	(69,633)	156,142	(4,106)	152,036
As at 1 December 2019	103,280	-	-	(174)	(24,098)	79,008	(2,701)	76,307
Loss after taxation	-	-	-	-	(4,405)	(4,405)	(511)	(4,916)
Other Comprehensive loss:								
Foreign Currency translation reserve	-	-	-	970	-	970	(26)	944
Total Comprehensive loss for the financial period	-	-	-	970	(4,405)	(3,435)	(537)	(3,972)
Transactions with owners:								
Provision of SIS reserve	-	505	-	-	-	505	-	505
Issuance of shares pursuant to exercise of SIS	4,505	(505)	-	-	-	4,000	-	4,000
Total Transactions with owners:	4,505	-	-	-	-	4,505	-	4,505
As at 28 February 2020	107,785	-	-	796	(28,503)	80,078	(3,238)	76,840

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 2020 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR TODATE ENDED 28 FEBRUARY 2021

	CURRENT YEAR TO DATE 28/02/2021 RM'000	PRECEDING YEAR TO DATE 29/02/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(11,373)	(4,915)
Adjustment for:		
Depreciation of plant and equipment	566	319
Depreciation of investment properties	14	14
Depreciation of Right of use assets	33	-
Amortisation of intangible assets	292	300
Amortisation of goodwill	17	-
Share-based payment expenses accrued	-	505
Property, plant and equipment written off	-	1
Loss on disposal of investment	6,565	-
Fair value losses on other investments	1,475	3,918
Unrealised foreign exchange (gain)/loss	687	192
Interest expense	58	30
Interest income	(438)	(3)
Operating (loss)/profit before working capital changes	(2,104)	361
Decrease / (Increase) in current assets	5,377	(2,285)
Increase / (Decrease) in current liabilities	(1,737)	(110)
Changes in contract assets / contract liabilities	318	(16)
Cash Used in Operations	1,854	(2,050)
Tax Refund / (Paid)	(1)	(1)
Interest received	438	3
Net Cash Used in Operations	2,291	(2,048)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2)	(83)
Acquisition of intangible assets	(4,588)	(2,081)
Investment on quoted shares	(805)	-
Proceeds from disposal of investment	10,082	-
Acquisition of subsidiary	(672)	-
Net Cash From/(Used in) Investing Activities	4,015	(2,164)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issuance of shares	-	4,000
Interest paid	(58)	(30)
Withdrew/(Placement) of short-term investment	6,842	-
Repayment of term loans	(91)	(76)
Repayment of lease liabilities	(34)	-
Net Cash Used in Financing Activities	6,659	3,894
NET CHANGE IN CASH AND CASH EQUIVALENTS	12,965	(318)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	60,593	35,229
EFFECT ON FOREIGN CURRENCY TRANSLATION	(389)	325
CASH AND CASH EQUIVALENTS CARRIED FORWARD	73,169	35,236
Cash and cash equivalents at end of year consist of :-		
Cash and bank balances	73,168	35,236
Short Term Investment	33,213	-
	106,381	35,236
Less: Short term investment	(33,213)	-
	<u>73,168</u>	<u>35,236</u>

The unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial period ended 30 November 2020 and the accompanying explanatory notes attached to the interim financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR CURRENT QUARTER AND YEAR
TODATE ENDED 28 FEBRUARY 2021**

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 year ended 30 November 2020. 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 2020.

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 2020 except for the adoption of the following MFRS and Amendments to MFRS:

<u>MFRS and IC Interpretations (Including the Consequential Amendments)</u>		<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 3	Definition of a Business	1 January 2020
Amendment to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform	1 January 2020
Amendment to MFRS 101 and MFRS 108	Definition of Material	1 January 2020
Amendment to MFRS 16	Leases: Covid-19-Related Rent Concessions	1 June 2020

The adoption of the above pronouncements did not have material impact on the financial statements of the Group.

The following MFRS and Amendments to MFRS have been issued by MASB but are not yet effective to the Group:

<u>MFRS and IC Interpretations (Including the Consequential Amendments)</u>		<u>Effective for annual periods beginning on or after</u>
Amendment to MFRS 9 and MFRS 4	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Annual Improvements to MFRS 2018 – 2020 cycle	MFRS 1 Frist-time Adoption of MFRS MFRS 9 Financial Instrument MFRS 16 Leases MFRS 141 Agriculture #	1 January 2022

A1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

<u>MFRS and IC Interpretations (Including the Consequential Amendments)</u>		<u>Effective for annual periods beginning on or after</u>
Amendment to MFRS 3	Business Combination	1 January 2022
Amendment to MFRS 116	Property, Plant and Equipment	1 January 2022
Amendment to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts	1 January 2022
MFRS 17	Insurance Contracts #	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 10 and 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

Not applicable to the Group's existing activities

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 ended 28 February 2021.

A4 CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect on current quarter ended 28 February 2021.

A5 DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during current quarter ended 28 February 2021.

A6 DIVIDENDS PAID

No dividends were paid during current quarter ended 28 February 2021.

A7 SEGMENTAL INFORMATION

The Group's operating segments are classified according to the nature of activities as follows:-

Electronic Payment services and money lending : Involved in terminal, money lending business, software licensing 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.

A7 SEGMENTAL INFORMATION (CONTINUED)

- GEM : Involved in provision of reservation and planning services and its related solutions.
- Others : Other segments comprise investment holding and dormant companies

	Electronic payment services RM'000	Non- electronic payment services RM'000	GEM RM'000	Others RM'000	Elimination RM'000	Total RM'000
2021						
Revenue						
External revenue	71	-	3,703	0	-	3,774
Inter-company	-	-	3	0	(3)	-
	71	-	3,706	-	(3)	3,774
Results						
Segment operating profit/(loss)	(443)	(763)	(1,208)	(1,355)	23	(3,746)
Other operating income						489
Other operating expenses						(8,058)
Finance costs						(58)
Loss before taxation						(11,373)
Tax expenses						(1)
Loss after taxation						(11,374)
Non-controlling interests						936
Loss attributable to owners of the Company						(10,438)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Segments assets	51,880	22,549	47,843	34,026	-	156,298
Total assets						156,298
Segments liabilities	644	641	940	-	-	2,225
Term loan						1,902
Deferred tax liability						135
Total liabilities						4,262

A7 SEGMENTAL INFORMATION (CONTINUED)

	Electronic payment services RM'000	Non- electronic payment services RM'000	GEM RM'000	Others RM'000	Elimination RM'000	Total RM'000
2020						
Revenue						
External revenue	127	3,508	27	-	-	3,662
Inter-company	88	-	-	-	(88)	-
	215	3,508	27	-	(88)	3,662
Results						
Segment operating profit/(loss)	(266)	1,455	(1,433)	(251)	-	(495)
Other operating income						35
Other operating expenses						(4,425)
Finance costs						(30)
Loss before taxation						(4,915)
Tax expenses						(1)
Loss after taxation						(4,916)
Non-controlling interests						511
Loss attributable to owners of the Company						(4,405)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Segments assets	30,347	27,996	18,710	3,330	-	80,383
Total assets						80,383
Segments liabilities	140	1,262	109	-	-	1,511
Term loan						2,032
Deferred tax liability						-
Total liabilities						3,543

A8 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There were no valuation undertaken for property, plant and equipment.

A9 CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during current quarter ended 28 February 2021 other than as disclosed below:

- 1) On 14 December 2020, Gem Pay Sdn Bhd, a subsidiary company had entered into a Sale and Purchase of Shares Agreement (“SPA”) with Mr Foo Jee Hai for the acquisition of 1,800,000 ordinary shares in Emicro Capital (M) Sdn Bhd (“Emicro”), representing 60% of the total issued and paid-up share capital of Emicro for a total consideration of RM1,200,000. Upon completion of the acquisition, Emicro will become 60% owned subsidiary. All Conditions Precedent pursuant to the SPA have been fulfilled by the parties on 20 January 2021, marking the completion of the proposed acquisition of Emicro.

A10 CONTINGENT LIABILITIES

There were no material contingent liabilities not provided for as at the date of this report.

A11 MATERIAL EVENTS SUBSEQUENT TO THE INTERIM REPORTING PERIOD

- 1) On 1 March 2021, Gem Pay Sdn Bhd, a subsidiary company has completed the subscription of first tranche of RCPS in Emicro Capital (M) Sdn Bhd, comprised of 1,000,000 RCPS of RM1.00 each pursuant to the SPA dated 14 December 2020.
- 2) On 3 May 2021, the Board of Directors has approved the extension of the timeframe for the full utilization of the proceeds raised from the Private Placement to 24 months from the date of completion at 21 April 2020.
- 3) On 4 May 2021, 188,300,000 share options were offered to eligible employee at an exercise price of option of RM0.1025 each.

A12 CAPITAL COMMITMENTS

The amounts of commitments not provided for as at 28 February 2021 is as follows:

Approved and contracted for:	USD'000	RM'000
Registered share capital of FFUTL to be paid up by year 2048	8,889	-

A13 RELATED PARTY TRANSACTIONS

There were no significant transactions with related parties during current quarter ended 28 February 2021.

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 PERFORMANCE REVIEW

Group Results	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	28.02.2021 RM'000	29.02.2020 RM'000	RM'000	%	28.02.2021 RM'000	29.02.2020 RM'000	RM'000	%
Revenue	3,774	3,662	112	3	3,774	3,662	112	3
Gross Profit	449	2,028	(1,579)	(78)	449	2,028	(1,579)	(78)
Loss Before Interest and Tax	(11,315)	(4,885)	(6,430)	(132)	(11,315)	(4,885)	(6,430)	(132)
Loss Before Tax	(11,373)	(4,915)	(6,458)	(131)	(11,373)	(4,915)	(6,458)	(131)
Loss After Tax	(11,374)	(4,916)	(6,458)	(131)	(11,374)	(4,916)	(6,458)	(131)
Loss Attributable to Ordinary Equity Holders of the Company	(10,438)	(4,405)	(6,033)	(137)	(10,438)	(4,405)	(6,033)	(137)

For the current quarter ended 28 February 2021, the Group recorded revenue of RM3.77 million, slightly higher as compared to RM3.66 million in the corresponding quarter in previous year. The revenue for current quarter mainly derived from distribution and trading of food and beverages from GEM segment and rental of terminal to merchants in Electronic Payment Segment. The revenue in the corresponding quarter in previous year was mainly derived from project sales of network equipment and infrastructure in Non-Payment Services Segment and rental of terminal to merchants.

Despite the revenue was slightly higher, the gross profit margin for current quarter of 12% were lower as compared to 55% in the corresponding quarter in previous year, mainly due to gross profit margin from distribution and trading of food and beverages in GEM segment was lower than gross profit margin from project sales of network equipment and infrastructure in Non-Payment Services Segment.

The Group recorded a loss before taxation for the current quarter of RM11.37 million; higher as compared to RM4.92 million in the corresponding quarter in previous year, mainly due to lower gross profit margin, realised loss on disposal of investment in public listed company of RM6.57 million (2020: Nil) and higher unrealized forex loss by RM0.50 million. However, the higher loss was cushioned by lower unrealised loss on fair value adjustment on investment in public listed company by RM2.44 million.

B1 PERFORMANCE REVIEW (CONTINUED)

Electronic Payment Services Segment

	Individual Quarter				Cumulative Quarter			
	Ended 28.02.2021 RM'000	Ended 29.02.2020 RM'000	Changes		Ended 28.02.2021 RM'000	Ended 29.02.2020 RM'000	Changes	
Electronic Payment Segment			RM'000	%			RM'000	%
Revenue	71	127	(56)	(44)	71	127	(56)	(44)
Gross Profit	51	101	(50)	(50)	51	101	(50)	(50)
Loss Before Interest and Tax	(460)	(268)	(192)	(72)	(460)	(268)	(192)	(72)
Loss Before Tax	(460)	(268)	(192)	(72)	(460)	(268)	(192)	(72)
Loss After Tax	(460)	(268)	(192)	(72)	(460)	(268)	(192)	(72)

For the current quarter ended 28 February 2021, Electronic payment services segment reported revenue of RM71k, lower as compared to RM127k in the corresponding quarter in previous year, mainly due to lower terminal rental received from merchants.

The segment reported loss before tax of RM0.46 million in current quarter, higher than RM0.27 million in the corresponding quarter in previous year mainly due to lower revenue achieved and resources invested for promoting of new electronic payment and point of sales solutions and also invested in new subsidiary, Emicro Capital (M) Sdn Bhd Group (“Emicro”). Emicro is primarily involved in licensed money lending business.

Non-electronic Payment Services Segment

	Individual Quarter				Cumulative Quarter			
	Ended 28.02.2021 RM'000	Ended 29.02.2020 RM'000	Changes		Ended 28.02.2021 RM'000	Ended 29.02.2020 RM'000	Changes	
Non -Electronic Payment Segment			RM'000	%			RM'000	%
Revenue	-	3,508	(3,508)	(100)	-	3,508	(3,508)	(100)
Gross Profit	-	2,095	(2,095)	(100)	-	2,095	(2,095)	(100)
Profit/(Loss) Before Interest and Tax	(801)	1,478	(2,279)	(154)	(801)	1,478	(2,279)	(154)
Profit/(Loss) Before Tax	(823)	1,448	(2,271)	(157)	(823)	1,448	(2,271)	(157)
Profit/(Loss) After Tax	(824)	1,447	(2,271)	(157)	(824)	1,447	(2,271)	(157)

Currently Non-Electronic payment services segment only supplies network equipment and infrastructure on a confirmed project basis. As there were no project in current quarter, this segment incurred a loss before tax of RM0.82 million as compared to profit before tax of RM1.45 million in the corresponding quarter in previous year.

GEM Segment

	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	28.02.2021	29.02.2020	RM'000	%	28.02.2021	29.02.2020	RM'000	%
GEM	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	3,706	27	3,679	13,626	3,706	27	3,679	13,626
Gross Profit	401	(60)	461	768	401	(60)	461	768
Loss Before Interest and Tax	(1,205)	(1,431)	226	16	(1,205)	(1,431)	226	16
Loss Before Tax	(1,205)	(1,431)	226	16	(1,205)	(1,431)	226	16
Loss After Tax	(1,205)	(1,431)	226	16	(1,205)	(1,431)	226	16

GEM segment achieved revenue of RM3.71 million this quarter, higher than the corresponding quarter in previous year of RM27k. The revenue mainly derived from distribution and trading of food and beverages and advertising income. The increase in revenue was mainly due to increase in consumer demand during festive season, higher revenue from food delivery services and intensive marketing initiative to increase number of merchants and users.

This segment achieved a lower loss before tax of RM1.21 million in current quarter as compared to RM1.43 million in corresponding quarter in previous year, mainly due to higher revenue achieved.

B2 COMMENT ON MATERIAL CHANGE IN PERFORMANCE COMPARED AGAINST PRECEDING QUARTER

	Current Quarter	Preceding Quarter		
	Ended	Ended	Changes	
	28.02.2021	30.11.2020	RM'000	%
Group Results	RM'000	RM'000	RM'000	%
Revenue	3,774	3,418	356	10
Gross Profit	449	2,166	(1,717)	(79)
Profit Before Interest and Tax	(11,315)	(14,773)	3,458	23
Profit Before Tax	(11,373)	(14,800)	3,427	23
Profit After Tax	(11,374)	(14,924)	3,550	24
Profit Attributable to Ordinary Equity Holders of the Company	(10,438)	(13,843)	3,405	25

The Group recorded revenue of RM3.77 million in current quarter, slightly higher as compared to RM3.42 million in previous quarter mainly due to higher revenue from distribution and trading of food and beverages from GEM segment by RM1.85 million, cushioned by lower revenue from project sales of network equipment and infrastructure in Non-Payment Services Segment by RM1.48 million.

Despite the revenue was slightly higher, the gross profit margin for current quarter of 12% were lower as compared to 63% in previous quarter, mainly due to gross profit margin from distribution and trading of food and beverages in GEM segment was lower than gross profit margin from project sales of network equipment and infrastructure in Non-Payment Services Segment.

The Group recorded loss before tax of RM11.37 million in current quarter, lower losses compared to previous quarter of RM14.80 million, mainly due to impairment on intangible assets of RM8.05 million and terminals written off of RM0.63 million in previous quarter which were none in current quarter; lower unrealized loss on fair value adjustment on investment in public listed company by RM0.59 million and lower forex loss by RM1.66 million. However, the lower losses were cushioned by lower gross profit margin in current quarter and higher loss on disposal on investment in public listed company of RM6.57 million (Last quarter: Nil).

B3 FUTURE PROSPECTS

The COVID-19 pandemic has signaled a swift in consumer behaviour to digital economy as means to acquiring essential goods. With the on-going vaccination program being rollout worldwide, the year 2021 outlook looks to be optimistic on economic activities.

The Group intends to intensify the revamp of GemSpot Biz platform which offers F&B merchants a variety of in-house marketing services such as photoshoots, videography, copywriting and graphic design. These services appeal to smaller F&B helps position GemSpot Biz as a one-stop provider for the merchant's marketing needs. Merchants are also able to access the mobile application space by listing and promoting their event / venue in GemSpot at a relatively cheaper cost as opposed to developing and maintaining their own proprietary mobile application.

The Group intends to undertake the development of a F&B celebration e-commerce platform, marketing of GemSpot and GemSpot Biz and enhancement of GemSpot and GemSpot Biz by way of incorporating a business intelligence and data analytics system. The business intelligence and data analytics system 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. By leveraging on its business intelligence and data analytics system, the Group is also better able to tailor its marketing strategies and tap into the F&B market efficiently and effectively.

The Group has on 14 December 2020, via Gem Pay Sdn Bhd ("Gem Pay") acquired 60% equity stake in Emicro Capital (M) Sdn Bhd ("Emicro"). Emicro is primarily involved in the licensed money lending business. In today's challenging retail and economic environment, merchants are looking for trusted way to help drive average order values and conversion. The consumers are looking for more flexible and responsible ways to purchase their needs. This acquisition is intended to allow NetX to venture into the microfinancing of mobile prepaid credit and buy now, pay later strategy to diversify the revenue steam of the Group.

Gem Pay will also work with Emicro to roll out staff loan services to companies. By tapping into company HR records, the staffs will be able to withdraw their salary through Emicro platform in advance. In the event of emergency, the staff will be able to apply for the loan and receive the funds within 24 hours without need to go through tedious application process.

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 2021.

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
	28.02.2021	28.02.2020	28.02.2021	28.02.2020
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is stated after charging/(crediting) :-				
Depreciation of plant and equipment	566	319	566	319
Depreciation of Investment properties	14	14	14	14
Depreciation of Right of Use Asset	33	-	33	-
Amortisation of intangible assets	292	300	292	300
Property, plant and equipment written off	-	1	-	1
Amortisation of goodwill	17	-	17	-
Interest expense	58	30	58	30
Foreign exchange (gain) / loss	576	191	576	191
Interest income	(438)	(3)	(438)	(3)
Rental income	(37)	(23)	(37)	(23)
FV (Gain)/Loss on Investment	1,475	3,918	1,475	3,918
Share-based Compensation expenses	-	505	-	505
(Gain)/Loss on disposal of Investment	6,565	-	6,565	-

B6 TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year Ended	Preceding Year Ended
	28.02.2021	28.02.2020	28.02.2021	28.02.2020
	RM'000	RM'000	RM'000	RM'000
Current period				
- Income taxation	1	1	1	1
- Deferred taxation	-	-	-	-
Total	1	1	1	1

The Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated taxable profit for the financial year.

The effective tax rate of the Group for the financial year were higher than the statutory tax rate mainly due to certain expenses not tax allowable.

B7 CORPORATE PROPOSALS

There were no other corporate proposals which had been announced by the Company and are pending for completion as at end of current quarter other than as disclosed below:

- 1) On 6 April 2020, Gem Live Sdn Bhd (“GEM”), an indirect wholly-owned subsidiary had entered into a Memorandum of Understanding with Lambomove Sdn Bhd (formerly known as Oriented Media Services Sdn Bhd) (“Lambomove”) for the appointment of Lambomove as GEM’s food delivery service provider to its customers. To date, there is no material development pertaining to this MOU.
- 2) On 9 October 2020, Gem Pay Sdn Bhd (“Gem Pay”), a subsidiary company had entered into a Memorandum of Understanding with XOX Media Sdn Bhd (“XOX”), a wholly owned subsidiary of XOX Bhd, for the purpose to discuss, explore and enter into negotiations in respect of a business arrangement to provide and rent to XOX of up to 1,000 units of contactless payment terminals and/or cashless e-wallet payment solutions to be incorporated into smart vending machines. There is no conclusion on the negotiation between XOX and Gem Pay as at the expiry date on 8 April 2021. In view thereof, the MOU shall be deemed as lapsed.

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 payment exchange system that allows users to make payments, receive money, exchange with other currencies and withdraw money using other popular and established payment services and will be renamed as eFX system. The balance of proceeds available will be channelled towards the development and marketing of eFX system.

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Intended Timeframe for Utilisation
Development and marketing of eFX System	20,000	9,044	10,956	Within 48 months
Working Capital	323	323	-	Within 24 months
Expenses for the Share Issuance	780	780	-	Immediate
	<u>21,103</u>	<u>10,147</u>	<u>10,956</u>	

B8 STATUS OF UTILISATION OF PROCEEDS (cont'd)**B) PRIVATE PLACEMENT OF UP TO 30% OF THE TOTAL NUMBER OF ISSUED SHARES TO THIRD PARTY INVESTOR(S)**

On 16 January 2019, the Company proposed to undertake the private placement of up to 30% of the total number of issued shares of the Company to third party investor(s). The Private Placement was completed on 21 November 2019, following the listing and quotation of 840,089,500 placement shares on the Ace Market of Bursa Securities, raising RM12,814,411 for the Company.

Purpose	Purpose Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Intended for Timeframe Utilisation
Development of the GEM application	6,000	6,000	-	Within 24 months
Marketing costs for the GEM application	6,514	6,514	-	Within 24 months
Expenses for the Private Placement	300	300	-	Immediate
	<u>12,814</u>	<u>12,814</u>	<u>-</u>	

** The Gem application has been rebranded to GemSpot and GemSpot Lite in December 2019. The balance of proceeds available will be channelled towards the marketing of the rebranded application.

C) 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	1,567	3,006	Within 24 months
Expenses for the Private Placement	95	95	-	Immediate
	<u>4,668</u>	<u>1,662</u>	<u>3,006</u>	

B8 STATUS OF UTILISATION OF PROCEEDS (cont'd)

D) 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	502	4,079	Within 24 months
Expenses for the Private Placement	110	110	-	Immediate
	<u>4,691</u>	<u>612</u>	<u>4,079</u>	

E) 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)	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	-	25,000	Within 36 months
Development and intergration of business intelligence and data analytics system	8,000	-	8,000	Within 36 months
Investment or partnership in other complementary businesses or assets	25,000	6,120	18,880	Within 36 months
Working capital	17,498	2,027	15,471	Within 24 months
Expenses for the Right Issue	900	900	-	Immediate
	<u>81,398</u>	<u>9,047</u>	<u>72,351</u>	

B9 GROUP BORROWINGS AND DEBT SECURITIES

	As at 28.02.2021 Unaudited RM'000	As at 30.11.2020 Audited RM'000
Short term borrowing		
Term loan - Secured	<u>370</u>	<u>370</u>
Long term borrowing		
Term loan - Secured	<u>1,532</u>	<u>1,624</u>

The term loans is denominated in Ringgit Malaysia and the interest rate of the term loan at the reporting date is 3.69% per annum.

B10 DIVIDEND PAYABLE

No dividend was declared or paid in current quarter and year to date ended 30 November 2020.

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
	28.02.2021	29.02.2020	28.02.2021	29.02.2020
Net profit/(loss) attributable to owners of the parent (RM)	<u>(10,438,000)</u>	<u>(4,405,000)</u>	<u>(10,438,000)</u>	<u>(4,405,000)</u>
Weighted average number of ordinary shares	<u>835,967,337</u>	<u>3,710,717,686</u>	<u>835,967,337</u>	<u>3,710,717,686</u>
Basic profit/(loss) per share (sen)	<u>(1.25)</u>	<u>(0.12)</u>	<u>(1.25)</u>	<u>(0.12)</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 28 February 2021 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 2020 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.