

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR CURRENT QUARTER AND YEAR TODATE ENDED 31 MAY 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/05/2021 RM'000	PRECEDING YEAR QUARTER 31/05/2020 RM'000	CURRENT YEAR TO DATE 31/05/2021 RM'000	PRECEDING YEAR TO DATE 31/05/2020 RM'000
REVENUE	14,206	3,151	17,980	6,813
COST OF SALES	(13,635)	(443)	(16,960)	(2,077)
GROSS PROFIT	571	2,708	1,020	4,736
OTHER INCOME	3,130	5,289	3,042	3,943
ADMINISTRATION EXPENSES	(3,162)	(3,165)	(6,780)	(5,498)
OTHER OPERATING EXPENSES	(143)	(778)	(8,201)	(4,012)
PROFIT / (LOSS) FROM OPERATIONS	396	4,054	(10,919)	(831)
FINANCE COST	(18)	(30)	(76)	(60)
PROFIT / (LOSS) BEFORE TAX	378	4,024	(10,995)	(891)
INCOME TAX EXPENSES	(1)	-	(2)	(1)
NET PROFIT / (LOSS) FOR THE PERIOD	377	4,024	(10,997)	(892)
OTHER COMPREHENSIVE INCOME	(659)	(2,298)	(445)	(1,354)
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD	(282)	1,726	(11,442)	(2,246)
NET PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE COMPANY	241	3,681	(10,197)	(724)
NON-CONTROLLING INTEREST	136	343	(800)	(168)
	377	4,024	(10,997)	(892)
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:			-	
OWNERS OF THE PARENT	(366)	1,420	(10,602)	(2,015)
NON-CONTROLLING INTEREST	84	306	(840)	(231)
	(282)	1,726	(11,442)	(2,246)
EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY :				
Basic (sen)	0.03	0.09	(1.22)	(0.02)

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 31 May 2021**

	AS AT 31 May 2021 Unaudited RM'000	AS AT 30 Nov 2020 Audited RM'000
<u>ASSETS</u>		
<u>NON-CURRENT ASSETS</u>		
Plant and Equipment	5,373	6,252
Investment Properties	5,753	5,781
Right Of Use Asset	18	58
Intangible Assets	18,444	13,853
Other Investments	858	13,524
Goodwill on Consolidation	1,514	-
	<u>31,960</u>	<u>39,468</u>
<u>CURRENT ASSETS</u>		
Inventories	37	2
Trade Receivables	4,246	7,988
Other Receivables, Deposits and Prepayment	15,364	19,699
Current Tax Assets	5	5
Short Term Investment	33,371	40,055
Cash and Bank Balances	70,174	60,593
	<u>123,197</u>	<u>128,342</u>
TOTAL ASSETS	<u><u>155,157</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	65	470
Retained Profits	(69,392)	(59,195)
	<u>155,776</u>	<u>166,378</u>
Non-Controlling Interest	(4,022)	(3,911)
TOTAL EQUITY	<u><u>151,754</u></u>	<u><u>162,467</u></u>
<u>NON-CURRENT LIABILITIES</u>		
Term Loan	1,422	1,624
Deferred Tax Liability	135	127
	<u>1,557</u>	<u>1,751</u>
<u>CURRENT LIABILITIES</u>		
Trade Payables	437	2,432
Other Payables and Accruals	736	387
Lease Liabilities	18	59
Contract Liabilities	269	344
Term Loan	385	370
Tax liabilities	1	-
	<u>1,846</u>	<u>3,592</u>
TOTAL LIABILITIES	<u>3,403</u>	<u>5,343</u>
TOTAL EQUITIES AND LIABILITIES	<u><u>155,157</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 31 MAY 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			
As at 1 December 2020	205,877	-	19,226	470	(59,195)	166,378	(3,911)	162,467
Loss after taxation	-	-	-		(10,197)	(10,197)	(800)	(10,997)
Other Comprehensive loss:								
Foreign Currency translation reserve	-	-	-	(405)	-	(405)	(40)	(445)
Total Comprehensive loss for the financial period	-	-	-	(405)	(10,197)	(10,602)	(840)	(11,442)
Transactions with owners:								
Acquisition of subsidiary	-	-	-	-	-	-	729	729
Total Transactions with owners:	-	-	-	-	-	-	729	729
As at 31 May 2021	205,877	-	19,226	65	(69,392)	155,776	(4,022)	151,754
As at 1 December 2019	103,280	-	-	(174)	(24,098)	79,008	(2,701)	76,307
Loss after taxation	-	-	-		(724)	(724)	(168)	(892)
Other Comprehensive loss:								
Foreign Currency translation reserve	-	-	-	(1,291)	-	(1,291)	(63)	(1,354)
Total Comprehensive loss for the financial period	-	-	-	(1,291)	(724)	(2,015)	(231)	(2,246)
Transactions with owners:								
Share Issuance	4,668	-	-	-	-	4,668	-	4,668
Provision of SIS reserve	-	1,283	-	-	-	1,283	-	1,283
Issuance of shares pursuant to exercise of SIS	9,469	(1,283)	-	-	-	8,186	-	8,186
Total Transactions with owners:	14,137	-	-	-	-	14,137	-	14,137
As at 31 May 2020	117,417	-	-	(1,465)	(24,822)	91,130	(2,932)	88,198

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 31 MAY 2021**

	CURRENT YEAR TO DATE 31/05/2021 RM'000	PRECEDING YEAR TO DATE 31/05/2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(10,995)	(891)
Adjustment for:		
Depreciation of plant and equipment	1,137	641
Depreciation of investment properties	28	28
Depreciation of Right of use assets	76	-
Amortisation of intangible assets	589	615
Amortisation of goodwill	-	-
Reversal of impairment losses on trade receivables	(25)	-
Bad debts written off	1	-
Share-based payment expenses accrued	-	1,283
Plant and equipment written off	1	1
Loss on disposal of investment	6,579	-
Fair value losses on other investments	1,586	2,727
Fair value losses on short-term investment	34	-
Unrealised foreign exchange (gain)/loss	(1,814)	(3,875)
Interest expense	76	60
Interest income	(968)	(6)
Operating (loss)/profit before working capital changes	(3,695)	583
Decrease / (Increase) in current assets	3,111	(4,451)
Increase / (Decrease) in current liabilities	(1,405)	(222)
Changes in contract assets / contract liabilities	(78)	(38)
Cash Used in Operations	(2,067)	(4,128)
Tax Refund / (Paid)	(2)	(1)
Interest received	968	6
Net Cash Used in Operations	(1,101)	(4,123)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(26)	(83)
Acquisition of intangible assets	(4,947)	(2,217)
Investment on quoted shares	(1,477)	-
Proceeds from disposal of investment	10,828	-
Acquisition of subsidiary	(673)	-
Net Cash From/(Used in) Investing Activities	3,705	(2,300)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from issuance of shares	-	12,853
Interest paid	(76)	(60)
Withdrew/(Placement) of short-term investment	6,650	-
Repayment of term loans	(187)	(111)
Repayment of lease liabilities	(77)	-
Net Cash Used in Financing Activities	6,310	12,682
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,914	6,259
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	60,593	35,229
EFFECT ON FOREIGN CURRENCY TRANSLATION	667	1,032
CASH AND CASH EQUIVALENTS CARRIED FORWARD	70,174	42,520
Cash and cash equivalents at end of year consist of :-		
Cash and bank balances	70,174	42,520
Short Term Investment	33,371	-
	103,545	42,520
Less: Short term investment	(33,371)	-
	<u>70,174</u>	<u>42,520</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 31 MAY 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 First-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 and year to date ended 31 May 2021.

A4 CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect on current quarter and year to date ended 31 May 2021.

A5 DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during current quarter and year to date ended 31 May 2021.

A6 DIVIDENDS PAID

No dividends were paid during current quarter and year to date ended 31 May 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, trading of currencies, software licensing and other related services

A7 SEGMENTAL INFORMATION (CONTINUED)

- 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 and digital trading of precious commodities asset.
- 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	270	12,510	5,200	-	-	17,980
Inter-company	-	-	(20)	-	20	-
	270	12,510	5,180	-	20	17,980
Results						
Segment operating profit/(loss)	(1,046)	(1,564)	(1,850)	(1,345)	45	(5,760)
Other operating income						3,042
Other operating expenses						(8,201)
Finance costs						(76)
Loss before taxation						(10,995)
Tax expenses						(2)
Loss after taxation						(10,997)
Non-controlling interests						800
Loss attributable to owners of the Company						(10,197)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Segments assets	52,293	22,188	46,446	34,230	-	155,157
Total assets						155,157
Segments liabilities	570	511	380	-	-	1,461
Term loan						1,807
Deferred tax liability						135
Total liabilities						3,403

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	209	6,508	96	-	-	6,813
Inter-company	176	-	-	-	(176)	-
	385	6,508	96	-	(176)	6,813
Results						
Segment operating profit/(loss)	(402)	2,867	(2,698)	(529)	-	(762)
Other operating income						3,943
Other operating expenses						(4,012)
Finance costs						(60)
Loss before taxation						(891)
Tax expenses						(1)
Loss after taxation						(892)
Non-controlling interests						168
Loss attributable to owners of the Company						(724)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Segments assets	35,485	28,717	22,194	4,662	-	91,058
Total assets						91,058
Segments liabilities	123	590	150	-	-	863
Term loan						1,997
Deferred tax liability						-
Total liabilities						2,860

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 and year to date ended 31 May 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.
- 2) 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.

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

As at the date of this announcement, there were no material events subsequent to the interim reporting period that affect the results of the Group.

A12 CAPITAL COMMITMENTS

The amounts of commitments not provided for as at 31 May 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 and year to date ended 31 May 2021.

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 PERFORMANCE REVIEW

Group Results	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.05.2021	31.05.2020	RM'000	%	31.05.2021	31.05.2020	RM'000	%
Revenue	14,206	3,151	11,055	351	17,980	6,813	11,167	164
Gross Profit	571	2,708	(2,137)	(79)	1,020	4,736	(3,716)	(78)
Profit/(Loss) Before Interest and Tax	396	4,054	(3,658)	(90)	(10,919)	60	(10,979)	(18,298)
Profit/(Loss) Before Tax	378	4,024	(3,646)	(91)	(10,995)	(891)	(10,104)	(1,134)
Profit/(Loss) After Tax	377	4,024	(3,647)	(91)	(10,997)	(892)	(10,105)	(1,133)
Ordinary Equity Holders of the Company	241	3,681	(3,440)	(93)	(10,197)	(724)	(9,473)	(1,308)

For the current quarter ended 31 May 2021, the Group recorded revenue of RM14.21 million, higher as compared to RM3.15 million in the corresponding quarter in previous year. The bulk of the revenue for current quarter mainly derived from digital trading of precious commodities in eFX Sdn. Bhd, in Non-Payment Services Segment and distribution and trading of food and beverages from GEM 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 in Electronic Payment Segment.

The gross profit margin for current quarter of 4% were lower as compared to 86% in the corresponding quarter in previous year mainly due to gross profit margin in digital trading of precious commodities in Non-Payment Services Segment and distribution and trading of food and beverages in GEM segment were lower than gross profit margin from project sales of network equipment and infrastructure in Non-Payment Services Segment in previous year.

The Group recorded a profit before taxation for the current quarter of RM0.38 million, lower as compared to RM4.02 million in the corresponding quarter in previous year, mainly due to lower gross profit margin as mentioned above and lower unrealized forex gain.

For the 6 months ended 31 May 2021, the Group recorded revenue of RM17.98 million, higher as compared to RM6.81 million in preceding year to-date, mainly due to higher revenue in digital trading of precious commodities in Non-Payment Services Segment and distribution and trading of food and beverages in GEM segment.

Despite the revenue was higher, the gross profit margin for current year of 6% were lower as compared to 70% in the corresponding quarter in previous year, mainly due to gross profit margin in digital trading of precious commodities in Non-Payment Services Segment and distribution and trading of food and beverages in GEM segment were lower than gross profit margin from project sales of network equipment and infrastructure in Non-Payment Services Segment in previous year.

The Group recorded a loss before tax of RM10.99 million for the current year to-date, higher as compared to preceding year to-date loss of RM0.89 million mainly due to lower gross profit margin and realised loss on disposal of investment in public listed company of RM6.57 million in current year to-date and lower unrealised forex gain by RM2.06 million as compared to previous year.

B1 PERFORMANCE REVIEW (CONTINUED)

Electronic Payment Services Segment

Electronic Payment Segment	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.05.2021	30.05.2020	RM'000	%	31.05.2021	30.05.2020	RM'000	%
Revenue	199	83	116	140	270	210	60	29
Gross Profit	56	(7)	63	900	107	94	13	14
Loss Before Interest and Tax	(560)	(135)	(425)	(315)	(1,020)	(403)	(617)	(153)
Loss Before Tax	(560)	(135)	(425)	(315)	(1,020)	(403)	(617)	(153)
Loss After Tax	(560)	(135)	(425)	(315)	(1,020)	(403)	(617)	(153)

For the current quarter and year to-date ended 31 May 2021, Electronic payment services segment achieved revenue of RM0.20 million and RM0.27 million respectively, higher compared to RM0.08 million in the corresponding quarter in previous year and RM0.21 million in preceding year-to-date respectively, mainly due to new revenue in trading of foreign currency in current year.

The segment recorded loss before tax of RM0.56 million in current quarter and RM1.02 million in current year to-date, higher compared to RM0.13 million in the corresponding quarter in previous year and RM0.40 million in preceding year to-date, mainly due to resources invested for promoting new electronic payment and point of sales solutions and resources in licensed money lending business via its new subsidiary, Emicro Capital (M) Sdn Bhd Group.

Non-electronic Payment Services Segment

Non -Electronic Payment Segment	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.05.2021	30.05.2020	RM'000	%	31.05.2021	30.05.2020	RM'000	%
Revenue	12,510	3,000	9,510	317	12,510	6,508	6,002	92
Gross Profit	125	2,533	(2,408)	(95)	125	4,628	(4,503)	(97)
Profit/(Loss) Before Interest and Tax	(669)	1,446	(2,115)	(146)	(1,470)	2,924	(4,394)	(150)
Profit/(Loss) Before Tax	(688)	1,415	(2,103)	(149)	(1,511)	2,863	(4,374)	(153)
Profit/(Loss) After Tax	(690)	1,415	(2,105)	(149)	(1,513)	2,862	(4,375)	(153)

For the current quarter and year to-date ended 31 May 2021, Non-electronic payment services segment achieved revenue of RM12.51 million, higher compared to RM3.00 million in the corresponding quarter in previous year and RM6.51 million in preceding year to-date, mainly due to new revenue in digital trading of precious commodities in current quarter and year to-date.

The gross profit margin for current year of 0.1% were lower than 71% in previous year, mainly due to lower profit margin in digital trading of precious commodities compared to profit margin in project sales of network equipment and infrastructure in previous year.

This segment recorded loss before tax of RM0.69 million in current quarter and RM1.51 million in current year to-date, lower as compared to profit before tax of RM1.42 million in the corresponding quarter in previous year and RM2.86 million in preceding year to-date, mainly due to lower gross profit margin as mentioned above.

B1 PERFORMANCE REVIEW (CONTINUED)

GEM Segment

	Individual Quarter				Cumulative Quarter			
	Ended 31.05.2021 RM'000	Ended 30.05.2020 RM'000	Changes		Ended 31.05.2021 RM'000	Ended 30.05.2020 RM'000	Changes	
GEM			RM'000	%			RM'000	%
Revenue	1,514	68	1,446	2,126	5,220	95	5,125	5,395
Gross Profit	407	7	400	6,019	808	14	794	5,870
Loss Before Interest and Tax	(641)	(1,267)	626	49	(1,846)	(2,698)	852	32
Loss Before Tax	(641)	(1,267)	626	49	(1,846)	(2,698)	852	32
Loss After Tax	(641)	(1,267)	626	49	(1,846)	(2,698)	852	32

GEM segment achieved revenue of RM1.51 million this quarter and RM5.22 million in current year to-date, higher than the corresponding quarter in previous year of RM0.07 million and preceding year to-date of RM0.10 million respectively. The revenue mainly derived from distribution and trading of food and beverages and advertising income. The significant growth of Gem's revenue due to higher food delivery and gifting business as the Malaysia movement control order and the pandemic accelerated the trend of ordering online.

This segment achieved a lower loss before tax of RM0.64 million in current quarter and RM1.85 million in current year to-date, as compared to RM1.27 million in corresponding quarter in previous year and RM2.70 million in preceding year to-date, mainly due to higher revenue achieved.

B2 COMMENT ON MATERIAL CHANGE IN PERFORMANCE COMPARED AGAINST PRECEDING QUARTER

	Current Quarter	Preceding Quarter		
	Ended 31.05.2021 RM'000	Ended 28.02.2021 RM'000	Changes	
Group Results			RM'000	%
Revenue	14,206	3,774	10,432	276
Gross Profit	571	449	122	27
Profit Before Interest and Tax	396	(11,315)	11,711	103
Profit Before Tax	378	(11,373)	11,751	103
Profit After Tax	377	(11,374)	11,751	103
Profit Attributable to Ordinary Equity Holders of the Company	241	(10,438)	10,679	102

The Group recorded revenue of RM14.21 million in current quarter, higher as compared to RM3.77 million in previous quarter mainly due to new revenue in digital trading of precious commodities from Non-Payment Services Segment of RM12.51 million cushioned by lower revenue from distribution and trading of food and beverages in GEM segment by RM3.7 million.

B2 COMMENT ON MATERIAL CHANGE IN PERFORMANCE COMPARED AGAINST PRECEDING QUARTER (CONTINUED)

Despite the revenue was higher, the gross profit margin for current quarter of 4% were lower than 11% in previous quarter, mainly due to gross profit margin from digital trading of precious commodities in Non-Payment Services Segment was lower than gross profit margin from distribution and trading of food and beverages in GEM segment.

The Group recorded profit before tax of RM0.38 million in current quarter, better as compared to loss before tax of RM11.37 million in previous quarter, mainly due to loss on disposal on investment in public listed company of RM6.57 million in previous quarter (Current quarter: Nil), lower unrealised loss on fair value adjustment on investment in public listed company by RM1.33 million, and higher unrealised gain on forex by RM3.19 million.

B3 FUTURE PROSPECTS

The COVID-19 pandemic continues to affect the Malaysian economy, contributing to a more permanent shift in consumer's adaptation to digital technologies as a means of acquiring essential and non-essential goods. In 2021, the National COVID-19 Immunisation Programme officially commenced and as of early August, close to 31% of the populace has completed their vaccinations. The ongoing vaccine distribution throughout the country is showing positive results, paving a way for Malaysians and Malaysia towards economic recovery. The upcoming 2022 prospect is optimistic.

The Group has heavily invested its effort into supporting the GemSpot Biz platform by offering F&B and gifting merchants marketing support in the form of photography, videography, copywriting, digital marketing assets and campaign promotions. These services has appealed to both small and large operators, positioning GemSpot as one of the market leaders in its service areas.

In its further revamp, the GemSpot Biz platform has also gotten an upgrade, giving merchants the ability to promote their venue listings, manage their assets and be a part of an enhanced support ecosystem that is efficient, cost effective and relatively easy to use.

The Group is currently deep into the development of its F&B Celebrations e-Commerce channel with features built into its User Interface/Experience to disrupt the way ordinary people think of and plan for an occasion in their everyday lives. Designed and developed on the foundation of insights and analytics garnered over the years of operation, this move into event disruption consolidates all the business entities managed under Gem Live to bring users Great Experiences that Matter.

The Celebrations platform is slated for a beta test in late early Q4 of 2021, with eyes set on a reopened marketing 2022 to secure its presence in the market as an event disruptor.

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 allows 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 is working with Emicro to offer staff loan services to companies. By tappig 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.

B3 FUTURE PROSPECTS (CONTINUED)

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
	31.05.2021	31.05.2020	31.05.2021	31.05.2020
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is stated after charging :-				
Depreciation of plant and equipment	571	322	1,137	641
Depreciation of Investment properties	14	14	28	28
Depreciation of Right of Use Asset	43	-	76	-
Amortisation of intangible assets	297	315	589	615
Bad debts written off	1	-	1	-
Plant and equipment written off	1	-	1	1
Interest expenses	18	30	76	60
Fair value losses on other investments	126	-	1,586	2,727
Fair value losses on short-term investment	15	-	34	-
Share-based Compensation expenses	-	778	-	1,283
Loss on disposal of Investment	14	-	6,579	-
and crediting :-				
Interest income	530	3	968	6
Rental income	35	24	72	47
Gain on foreign exchange	2,545	4,067	1,969	3,876
Reversal of impairment loss on trade receivables	25	-	25	-
Reversal of amortisation of intangible assets	17	-	-	-
Fair value gain on other investments	-	1,191	-	-

B6 TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year Ended	Preceding Year Ended
	31.05.2021	30.05.2020	31.05.2021	30.05.2020
	RM'000	RM'000	RM'000	RM'000
Current period				
- Income taxation	1	-	2	1
- Deferred taxation	-	-	-	-
Total	<u>1</u>	<u>-</u>	<u>2</u>	<u>1</u>

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.

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.

B8 STATUS OF UTILISATION OF PROCEEDS (CONTINUED)**A) STATUS OF UTILISATION OF PROCEEDS RAISED FROM SHARE ISSUANCE TO MACQUARIE BANK LIMITED (cont'd)**

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>	

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 channeled towards the marketing of the rebranded application.

B8 STATUS OF UTILISATION OF PROCEEDS (CONTINUED)

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

On 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	2,271	2,302	Within 24 months
Expenses for the Private Placement	95	95	-	Immediate
	<u>4,668</u>	<u>2,366</u>	<u>2,302</u>	

On 3 May 2021, the Board of Directors has approved the extension of the timeframe for the full utilization of the proceeds raised to 24 months from the date of completion at 21 April 2020.

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>	

B8 STATUS OF UTILISATION OF PROCEEDS (CONTINUED)

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	8,234	16,766	Within 36 months
Working capital	17,498	3,666	13,832	Within 24 months
Expenses for the Right Issue	900	900	-	Immediate
	<u>81,398</u>	<u>12,800</u>	<u>68,598</u>	

B9 GROUP BORROWINGS AND DEBT SECURITIES

	As at 31.05.2021 Unaudited RM'000	As at 30.11.2020 Audited RM'000
Short term borrowing		
Term loan - Secured	<u>385</u>	<u>370</u>
Long term borrowing		
Term loan - Secured	<u>1,422</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 31 May 2021.

B11 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit/(loss) attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period. The basic earnings per share was calculated as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year Ended	Preceding Year Ended
	31.05.2021	30.05.2020	31.05.2021	30.05.2020
Net profit/(loss) attributable to owners of the parent (RM)	241,000	3,681,000	(10,197,000)	(724,000)
Weighted average number of ordinary shares	835,967,337	4,103,543,052	835,967,337	3,973,393,118
Basic profit/(loss) per share (sen)	0.03	0.09	(1.22)	(0.02)

(b) Diluted

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