

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

|  | INDIVIDUAL QUARTER                              |   | CUMULATIVE QUARTER                              |   |
|--|---|---|---|---|
|  | CURRENT YEAR<br>QUARTER<br>31/08/2021<br>RM'000 | PRECEDING<br>YEAR QUARTER<br>31/08/2020<br>RM'000 | CURRENT YEAR<br>TO DATE<br>31/08/2021<br>RM'000 | PRECEDING<br>YEAR TO DATE<br>31/08/2020<br>RM'000 |
| REVENUE  | 27,787  | 4,666   | 45,767  | 11,479  |
| COST OF SALES  | (27,339)  | (2,654)   | (44,299)  | (4,731)   |
| GROSS PROFIT   | 448   | 2,012   | 1,468   | 6,748   |
| OTHER INCOME   | 1,181   | 3,916   | 4,219   | 1,617   |
| ADMINISTRATION EXPENSES  | (3,311)   | (6,814)   | (10,087)  | (8,763)   |
| OTHER OPERATING EXPENSES   | (84)  | (407)   | (8,285)   | (1,726)   |
| PROFIT / (LOSS) FROM OPERATIONS                                      | (1,766)   | (1,293)   | (12,685)  | (2,124)   |
| FINANCE COST   | (21)  | (30)  | (97)  | (90)  |
| PROFIT / (LOSS) BEFORE TAX   | (1,787)   | (1,323)   | (12,782)  | (2,214)   |
| INCOME TAX EXPENSES  | (2)   | (1)   | (4)   | (3)   |
| NET PROFIT / (LOSS) FOR THE PERIOD                                   | (1,789)   | (1,324)   | (12,786)  | (2,217)   |
| OTHER COMPREHENSIVE INCOME   | (123)   | 959   | (568)   | (395)   |
| TOTAL COMPREHENSIVE<br>PROFIT / (LOSS) FOR THE PERIOD                | (1,912)   | (365)   | (13,354)  | (2,612)   |
| NET PROFIT / (LOSS) FOR THE PERIOD<br>ATTRIBUTABLE TO:               |   |   |   |   |
| OWNERS OF THE COMPANY  | (1,767)   | (1,303)   | (11,964)  | (2,028)   |
| NON-CONTROLLING INTEREST   | (22)  | (21)  | (822)   | (189)   |
|  | (1,789)   | (1,324)   | (12,786)  | (2,217)   |
| TOTAL COMPREHENSIVE PROFIT/(LOSS)<br>FOR THE PERIOD ATTRIBUTABLE TO: |   |   |   |   |
| OWNERS OF THE PARENT   | (1,883)   | (398)   | (12,485)  | (2,414)   |
| NON-CONTROLLING INTEREST   | (29)  | 33  | (869)   | (198)   |
|  | (1,912)   | (365)   | (13,354)  | (2,612)   |
| EARNING/(LOSS) PER SHARE ATTRIBUTABLE<br>TO OWNERS OF THE COMPANY :  |   |   |   |   |
| Basic (sen)  | (0.21)  | (0.03)  | (1.43)  | (0.05)  |

*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 AUGUST 2021

|  | AS AT<br>31 Aug 2021<br>Unaudited<br>RM'000 | AS AT<br>30 Nov 2020<br>Audited<br>RM'000 |
|--|---|---|
| <b><u>ASSETS</u></b>   |   |   |
| <b><u>NON-CURRENT ASSETS</u></b>                                   |   |   |
| Plant and Equipment  | 4,819                                       | 6,252                                     |
| Investment Properties  | 5,739                                       | 5,781                                     |
| Right Of Use Asset   | 322   | 58  |
| Intangible Assets  | 18,386                                      | 13,853                                    |
| Other Investments  | 1,018                                       | 13,524                                    |
| Goodwill on Consolidation  | 1,526                                       | -   |
|  | 31,810                                      | 39,468                                    |
| <b><u>CURRENT ASSETS</u></b>                                       |   |   |
| Inventories  | 39  | 2   |
| Trade Receivables  | 4,315                                       | 7,988                                     |
| Other Receivables, Deposits and Prepayment                         | 15,257                                      | 19,699                                    |
| Current Tax Assets   | 5   | 5   |
| Short Term Investment  | 33,509                                      | 40,055                                    |
| Cash and Bank Balances   | 68,479                                      | 60,593                                    |
|  | 121,604                                     | 128,342                                   |
| <b>TOTAL ASSETS</b>  | <b>153,414</b>                              | <b>167,810</b>                            |
| <b><u>EQUITIES AND LIABILITIES</u></b>                             |   |   |
| <b><u>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</u></b>          |   |   |
| Share Capital  | 205,877                                     | 205,877                                   |
| Warrant Reserve  | 19,226                                      | 19,226                                    |
| Foreign Exchange Reserve   | (51)  | 470                                       |
| Retained Profits   | (71,159)                                    | (59,195)                                  |
|  | 153,893                                     | 166,378                                   |
| Non-Controlling Interest   | (4,047)                                     | (3,911)                                   |
| <b>TOTAL EQUITY</b>  | <b>149,846</b>                              | <b>162,467</b>                            |
| <b><u>NON-CURRENT LIABILITIES</u></b>                              |   |   |
| Term Loan  | 1,323                                       | 1,624                                     |
| Deferred Tax Liability   | 139   | 127                                       |
|  | 1,462                                       | 1,751                                     |
| <b><u>CURRENT LIABILITIES</u></b>                                  |   |   |
| Trade Payables   | 757   | 2,432                                     |
| Other Payables and Accruals  | 554   | 387                                       |
| Lease Liabilities  | 326   | 59  |
| Contract Liabilities   | 80  | 344                                       |
| Term Loan  | 389   | 370                                       |
|  | 2,106                                       | 3,592                                     |
| <b>TOTAL LIABILITIES</b>   | <b>3,568</b>                                | <b>5,343</b>                              |
| <b>TOTAL EQUITIES AND LIABILITIES</b>                              | <b>153,414</b>                              | <b>167,810</b>                            |
| Net Assets per share attributable to owners<br>of the Company (RM) | 0.18  | 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 AUGUST 2021**

|  | ←——— ATTRIBUTABLE TO OWNER OF THE PARENT ———→ |                                      |                              |  |                                 | NON<br>CONTROLLING<br>INTEREST<br>RM'000 | TOTAL<br>EQUITY<br>RM'000 |                |
|--|---|--------------------------------------|------------------------------|--|---------------------------------|--|---------------------------|----------------|
|  | ←——— NON - DISTRIBUTABLE ———→                 |                                      | ←——— DISTRIBUTABLE ———→      |  |                                 |  |                           |                |
|  | SHARE<br>CAPITAL<br>RM'000                    | SHARE<br>OPTION<br>RESERVE<br>RM'000 | WARRANT<br>RESERVE<br>RM'000 | FOREIGN<br>EXCHANGE<br>RESERVE<br>RM'000 | ACCUMULATED<br>LOSSES<br>RM'000 | TOTAL<br>RM'000                          |                           |                |
| <b>As at 1 December 2020</b>                         | 205,877                                       | -                                    | 19,226                       | 470                                      | (59,195)                        | 166,378                                  | (3,911)                   | 162,467        |
| Loss after taxation                                  | -   | -                                    | -                            |  | (11,964)                        | (11,964)                                 | (822)                     | (12,786)       |
| Other Comprehensive loss:                            |   |                                      |                              |  |                                 |  |                           |                |
| Foreign Currency translation reserve                 | -   | -                                    | -                            | (521)                                    | -                               | (521)                                    | (47)                      | (568)          |
| Total Comprehensive loss<br>for the financial period | -   | -                                    | -                            | (521)                                    | (11,964)                        | (12,485)                                 | (869)                     | (13,354)       |
| Transactions with owners:                            |   |                                      |                              |  |                                 |  |                           |                |
| Acquisition of subsidiary                            | -   | -                                    | -                            | -  | -                               | -  | 733                       | 733            |
| Total Transactions with owners:                      | -   | -                                    | -                            | -  | -                               | -  | 733                       | 733            |
| <b>As at 31 August 2021</b>                          | <b>205,877</b>                                | <b>-</b>                             | <b>19,226</b>                | <b>(51)</b>                              | <b>(71,159)</b>                 | <b>153,893</b>                           | <b>(4,047)</b>            | <b>149,846</b> |
| <b>As at 1 December 2019</b>                         | <b>103,280</b>                                | <b>-</b>                             | <b>-</b>                     | <b>(174)</b>                             | <b>(24,098)</b>                 | <b>79,008</b>                            | <b>(2,701)</b>            | <b>76,307</b>  |
| Loss after taxation                                  | -   | -                                    | -                            |  | (2,028)                         | (2,028)                                  | (189)                     | (2,217)        |
| Other Comprehensive loss:                            |   |                                      |                              |  |                                 |  |                           |                |
| Foreign Currency translation reserve                 | -   | -                                    | -                            | (386)                                    | -                               | (386)                                    | (9)                       | (395)          |
| Total Comprehensive loss<br>for the financial period | -   | -                                    | -                            | (386)                                    | (2,028)                         | (2,414)                                  | (198)                     | (2,612)        |
| Transactions with owners:                            |   |                                      |                              |  |                                 |  |                           |                |
| Share Issuance                                       | 9,359   | -                                    | -                            | -  | -                               | 9,359                                    | -                         | 9,359          |
| Provision of SIS reserve                             | -   | 1,677                                | -                            | -  | -                               | 1,677                                    | -                         | 1,677          |
| Issuance of shares pursuant to exercise of SIS       | 11,840  | (1,677)                              | -                            | -  | -                               | 10,163                                   | -                         | 10,163         |
| Total Transactions with owners:                      | 21,199  | -                                    | -                            | -  | -                               | 21,199                                   | -                         | 21,199         |
| <b>As at 31 August 2020</b>                          | <b>124,479</b>                                | <b>-</b>                             | <b>-</b>                     | <b>(560)</b>                             | <b>(26,126)</b>                 | <b>97,793</b>                            | <b>(2,899)</b>            | <b>94,894</b>  |

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 AUGUST 2021**

|   | <b>CURRENT YEAR<br/>TO DATE<br/>31/08/2021<br/>RM'000</b> | <b>PRECEDING YEAR<br/>TO DATE<br/>31/08/2020<br/>RM'000</b> |
|---|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |   |   |
| Profit / (Loss) before taxation                               | (12,782)  | (2,214)   |
| Adjustment for:   |   |   |
| Depreciation of plant and equipment                           | 1,713   | 971   |
| Depreciation of investment properties                         | 42  | 42  |
| Depreciation of Right of use assets                           | 117   | -   |
| Amortisation of intangible assets                             | 891   | 924   |
| Reversal of impairment losses on trade receivables            | (36)  | -   |
| Inventories written off                                       | -   | 14  |
| Bad debts written off   | 1   | -   |
| Share-based payment expenses accrued                          | -   | 1,677   |
| Plant and equipment written off                               | 1   | 1   |
| Loss on disposal of investment                                | 6,631   | -   |
| Fair value losses on other investments                        | 1,599   | 33  |
| Fair value losses on short-term investment                    | 54  | -   |
| Unrealised foreign exchange (gain)/loss                       | (2,617)   | (327)   |
| Interest expense  | 97  | -   |
| Interest income   | (1,297)   | (1,181)   |
| <b>Operating (loss)/profit before working capital changes</b> | <b>(5,586)</b>  | <b>(60)</b>   |
| Decrease / (Increase) in current assets                       | 3,051   | (8,102)   |
| Increase / (Decrease) in current liabilities                  | (1,145)   | 920   |
| Changes in contract assets / contract liabilities             | (267)   | (59)  |
| <b>Cash Used in Operations</b>                                | <b>(3,947)</b>  | <b>(7,301)</b>  |
| Tax Refund / (Paid)   | (4)   | (3)   |
| Interest received   | 1,298   | 1,181   |
| <b>Net Cash Used in Operations</b>                            | <b>(2,653)</b>  | <b>(6,123)</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |   |   |
| Purchase of property, plant and equipment                     | (32)  | (99)  |
| Acquisition of intangible assets                              | (5,154)   | (2,221)   |
| Investment on quoted shares                                   | (1,649)   | -   |
| Proceeds from disposal of investment                          | 10,913  | -   |
| Acquisition of subsidiary                                     | (673)   | -   |
| <b>Net Cash From/(Used in) Investing Activities</b>           | <b>3,405</b>  | <b>(2,320)</b>  |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                    |   |   |
| Proceed from issuance of shares                               | -   | 19,521  |
| Interest paid   | (97)  | -   |
| Withdrew/(Placement) of short-term investment                 | 6,492   | -   |
| Repayment of term loans                                       | (282)   | (111)   |
| Repayment of lease liabilities                                | (118)   | -   |
| <b>Net Cash Used in Financing Activities</b>                  | <b>5,995</b>  | <b>19,410</b>   |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>                | <b>6,747</b>  | <b>10,967</b>   |
| CASH AND CASH EQUIVALENTS BROUGHT FORWARD                     | 60,593  | 35,229  |
| EFFECT ON FOREIGN CURRENCY TRANSLATION                        | 1,139   | 66  |
| <b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>              | <b>68,479</b>   | <b>46,262</b>   |
| Cash and cash equivalents at end of year consist of :-        |   |   |
| Cash and bank balances  | 68,479  | 46,262  |
| Short Term Investment   | 33,509  | -   |
|   | 101,988   | 46,262  |
| Less: Short term investment                                   | (33,509)  | -   |
|   | <u>68,479</u>   | <u>46,262</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 AUGUST 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<br>MFRS 9 Financial Instrument<br>MFRS 16 Leases<br>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 August 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 August 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 August 2021.

## A6 DIVIDENDS PAID

No dividends were paid during current quarter and year to date ended 31 August 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

|  | <b>Electronic<br/>payment<br/>services<br/>RM'000</b> | <b>Non-<br/>electronic<br/>payment<br/>services<br/>RM'000</b> | <b>GEM<br/>RM'000</b> | <b>Others<br/>RM'000</b> | <b>Elimination<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--|---|--|-----------------------|--------------------------|-------------------------------|-------------------------|
| <b>2021</b>                                |   |  |                       |                          |                               |                         |
| <b>Revenue</b>                             |   |  |                       |                          |                               |                         |
| External revenue                           | 417   | 39,517   | 5,833                 | -                        | -                             | 45,767                  |
| Inter-company                              | -   | -  | 25                    | -                        | (25)                          | -                       |
|  | 417   | 39,517   | 5,858                 | -                        | (25)                          | 45,767                  |
| <b>Results</b>                             |   |  |                       |                          |                               |                         |
| Segment operating profit/(loss)            | (2,266)   | (1,682)  | (2,807)               | (1,931)                  | 67                            | (8,619)                 |
| Other operating income                     |   |  |                       |                          |                               | 4,219                   |
| Other operating expenses                   |   |  |                       |                          |                               | (8,285)                 |
| Finance costs                              |   |  |                       |                          |                               | (97)                    |
| Loss before taxation                       |   |  |                       |                          |                               | (12,782)                |
| Tax expenses                               |   |  |                       |                          |                               | (4)                     |
| Loss after taxation                        |   |  |                       |                          |                               | (12,786)                |
| Non-controlling interests                  |   |  |                       |                          |                               | 822                     |
| Loss attributable to owners of the Company |   |  |                       |                          |                               | (11,964)                |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

|                             |        |        |        |        |   |         |
|-----------------------------|--------|--------|--------|--------|---|---------|
| <b>Segments assets</b>      | 54,335 | 18,264 | 46,287 | 34,528 | - | 153,414 |
| Total assets                |        |        |        |        |   | 153,414 |
| <b>Segments liabilities</b> | 609    | 805    | 303    | -      | - | 1,717   |
| Term loan                   |        |        |        |        |   | 1,712   |
| Deferred tax liability      |        |        |        |        |   | 139     |
| Total liabilities           |        |        |        |        |   | 3,568   |

## A7 SEGMENTAL INFORMATION (CONTINUED)

|   | Electronic<br>payment<br>services<br>RM'000 | Non-<br>electronic<br>payment<br>services<br>RM'000 | GEM<br>RM'000 | Others<br>RM'000 | Elimination<br>RM'000 | Total<br>RM'000 |
|---|---|---|---------------|------------------|-----------------------|-----------------|
| <b>2020</b>   |   |   |               |                  |                       |                 |
| <b>Revenue</b>                                      |   |   |               |                  |                       |                 |
| External revenue                                    | 278   | 11,008  | 193           | -                | -                     | 11,479          |
| Inter-company                                       | 268   | -   | -             | -                | (268)                 | -               |
|   | 546   | 11,008  | 193           | -                | (268)                 | 11,479          |
| <b>Results</b>                                      |   |   |               |                  |                       |                 |
| Segment operating profit/(loss)                     | (579)                                       | 4,204   | (3,994)       | (1,646)          | -                     | (2,015)         |
| Other operating income                              |   |   |               |                  |                       | 1,617           |
| Other operating expenses                            |   |   |               |                  |                       | (1,726)         |
| Finance costs                                       |   |   |               |                  |                       | (90)            |
| Loss before taxation                                |   |   |               |                  |                       | (2,214)         |
| Tax expenses  |   |   |               |                  |                       | (3)             |
| Loss after taxation                                 |   |   |               |                  |                       | (2,217)         |
| Non-controlling interests                           |   |   |               |                  |                       | 189             |
| Loss attributable to owners of<br>the Company       |   |   |               |                  |                       | (2,028)         |
| <b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b> |   |   |               |                  |                       |                 |
| <b>Segments assets</b>                              | 36,807                                      | 32,121  | 23,478        | 7,326            | -                     | 99,732          |
| Total assets  |   |   |               |                  |                       | 99,732          |
| <b>Segments liabilities</b>                         | 79  | 2,542   | 220           | -                | -                     | 2,841           |
| Term loan   |   |   |               |                  |                       | 1,997           |
| Total liabilities                                   |   |   |               |                  |                       | 4,838           |



## **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 August 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**

- 1) On 3 September 2021, Netx Holdings Berhad had entered into 2 separate share sale agreements for the following :
  - i. Proposed acquisition of 1,000 ordinary shares and 9,800,000 irredeemable convertible preference shares in Sungei Wang Plaza Sdn Bhd (“SWP”), representing 100% equity interest in SWP, at a total cash consideration of RM10.00 only pursuant to a Share Sale Agreement (“Share Sale Agreement I”) entered with Sungei Wang Group Sdn Bhd; and
  - ii. Proposed acquisition of 60,002 ordinary shares in Sungei Wang Holdings Sdn Bhd (“SWH”), representing 100% equity interest in SWH and 23,342,574 new ordinary shares to be issued by SWH to Tan Peng Koon, at a total cash consideration of RM10.00 only pursuant to a Share Sale Agreement (“Share Sale Agreement II”) entered with Tan Peng Koon and Chew Hui Khuan.

All Conditions Precedent pursuant to the Share Sale Agreement I and Share Sale Agreement II have been fulfilled by the parties on 1st October 2021, marking the completion of the proposed acquisition of Sungei Wang Plaza Sdn Bhd and Sungei Wang Holdings Sdn Bhd.

- 2) On 28 October 2021, E-FX Sdn. Bhd. (“EFX”), a wholly-owned subsidiary company had acquired 416,500 ordinary shares in Mountain Money Sdn. Bhd. (“MMSB”), representing 49% equity interest in MMSB, for a total consideration of RM171,500.00 only.

## **A12 CAPITAL COMMITMENTS**

The amounts of commitments not provided for as at 31 August 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 August 2021.

## B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

### B1 PERFORMANCE REVIEW

| Group Results   | Individual Quarter   |                      |         |      | Cumulative Quarter   |                      |          |       |
|---|----------------------|----------------------|---------|------|----------------------|----------------------|----------|-------|
|   | Ended                | Ended                | Changes |      | Ended                | Ended                | Changes  |       |
|   | 31.08.2021<br>RM'000 | 31.08.2020<br>RM'000 | RM'000  | %    | 31.08.2021<br>RM'000 | 31.08.2020<br>RM'000 | RM'000   | %     |
| Revenue   | 27,787               | 4,666                | 23,121  | 496  | 45,767               | 11,479               | 34,288   | 299   |
| Gross Profit  | 448                  | 2,012                | (1,564) | (78) | 1,468                | 6,748                | (5,280)  | (78)  |
| Profit/(Loss) Before Interest and Tax                                   | (1,766)              | (1,293)              | (473)   | 37   | (12,685)             | (2,124)              | (10,561) | 497   |
| Profit/(Loss) Before Tax  | (1,787)              | (1,323)              | (464)   | 35   | (12,782)             | (2,214)              | (10,568) | (477) |
| Profit/(Loss) After Tax   | (1,789)              | (1,324)              | (465)   | 35   | (12,786)             | (2,217)              | (10,569) | (477) |
| Profit/(Loss) Attributable to Ordinary<br>Equity Holders of the Company | (1,767)              | (1,303)              | (464)   | 36   | (11,964)             | (2,028)              | (9,936)  | (490) |

For the current quarter ended 31 August 2021, the Group recorded revenue of RM27.79 million, higher as compared to RM4.67 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 distribution and trading of food and beverages from GEM segment.

The gross profit margin for current quarter of 2% were lower as compared to 43% 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 taxation for the current quarter of RM1.79 million, higher as compared to RM1.32 million in the corresponding quarter in previous year, mainly due to lower gross profit margin as mentioned above.

For the 9 months ended 31 August 2021, the Group recorded revenue of RM45.77 million, higher as compared to RM11.48 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 3% were lower as compared to 59% 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 RM12.78 million for the current year to-date, higher as compared to preceding year to-date loss of RM2.21 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.

## B1 PERFORMANCE REVIEW (CONTINUED)

### Electronic Payment Services Segment

| Electronic Payment Segment   | Individual Quarter |            |         |       | Cumulative Quarter |            |         |       |
|------------------------------|--------------------|------------|---------|-------|--------------------|------------|---------|-------|
|                              | Ended              | Ended      | Changes |       | Ended              | Ended      | Changes |       |
|                              | 31.08.2021         | 31.08.2020 | RM'000  | %     | 31.08.2021         | 31.08.2020 | RM'000  | %     |
| Revenue                      | 147                | 68         | 79      | 116   | 417                | 278        | 139     | 50    |
| Gross Profit                 | 54                 | 7          | 47      | (671) | 161                | 101        | 60      | 59    |
| Loss Before Interest and Tax | (1,209)            | (185)      | (1,024) | (554) | (2,229)            | (588)      | (1,641) | (279) |
| Loss Before Tax              | (1,209)            | (185)      | (1,024) | (554) | (2,229)            | (588)      | (1,641) | (279) |
| Loss After Tax               | (1,210)            | (185)      | (1,025) | (554) | (2,230)            | (588)      | (1,642) | (279) |

For the current quarter and year to-date ended 31 August 2021, Electronic payment services segment achieved revenue of RM0.15 million and RM0.42 million respectively, higher compared to RM0.07 million in the corresponding quarter in previous year and RM0.28 million in preceding year-to-date respectively, mainly due to higher revenue in sales of terminal and new revenue in trading of foreign currency in current year.

The segment recorded loss before tax of RM1.21 million in current quarter and RM2.22 million in current year to-date, higher compared to RM0.19 million in the corresponding quarter in previous year and RM0.59 million in preceding year to-date, mainly due to resources invested for promoting and maintaining new electronic payment for e-FX application, 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 |       |
|                                       | 31.08.2021         | 31.08.2020 | RM'000  | %     | 31.08.2021         | 31.08.2020 | RM'000  | %     |
| Revenue                               | 27,007             | 4,500      | 22,507  | 500   | 39,517             | 11,008     | 28,509  | 259   |
| Gross Profit                          | 286                | 2,000      | (1,714) | (86)  | 411                | 6,628      | (6,217) | (94)  |
| Profit/(Loss) Before Interest and Tax | (43)               | 1,236      | (1,279) | (103) | (1,513)            | 4,160      | (5,673) | (136) |
| Profit/(Loss) Before Tax              | (63)               | 1,207      | (1,270) | (105) | (1,574)            | 4,070      | (5,644) | (139) |
| Profit/(Loss) After Tax               | (65)               | 1,205      | (1,270) | (105) | (1,577)            | 4,067      | (5,644) | (139) |

For the current quarter and year to-date ended 31 August 2021, Non-electronic payment services segment achieved revenue of RM27.01 million and RM39.52 million respectively, higher compared to RM4.50 million in the corresponding quarter in previous year and RM11.01 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 quarter and current year to-date of 0.1% were lower than 44% and 60% in corresponding quarter in previous year and previous year to-date respectively, 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.

## B1 PERFORMANCE REVIEW (CONTINUED)

### Non-electronic Payment Services Segment (continued)

This segment recorded loss before tax of RM0.06 million in current quarter and RM1.57 million in current year to-date, lower as compared to profit before tax of RM1.21 million in the corresponding quarter in previous year and RM4.07 million in preceding year to-date, mainly due to lower gross profit margin as mentioned above.

### GEM Segment

|                              | Individual Quarter            |                               |         |       | Cumulative Quarter            |                               |         |       |
|------------------------------|-------------------------------|-------------------------------|---------|-------|-------------------------------|-------------------------------|---------|-------|
|                              | Ended<br>31.08.2021<br>RM'000 | Ended<br>31.08.2020<br>RM'000 | Changes |       | Ended<br>31.08.2021<br>RM'000 | Ended<br>31.08.2020<br>RM'000 | Changes |       |
| GEM                          |                               |                               | RM'000  | %     |                               |                               | RM'000  | %     |
| Revenue                      | 638                           | 98                            | 540     | 551   | 5,858                         | 193                           | 5,665   | 2,935 |
| Gross Profit                 | 113                           | 5                             | 108     | 1,968 | 921                           | 19                            | 902     | 4,747 |
| Loss Before Interest and Tax | (956)                         | (1,288)                       | 332     | 26    | (2,802)                       | (3,986)                       | 1,184   | 30    |
| Loss Before Tax              | (956)                         | (1,288)                       | 332     | 26    | (2,802)                       | (3,986)                       | 1,184   | 30    |
| Loss After Tax               | (956)                         | (1,288)                       | 332     | 26    | (2,802)                       | (3,986)                       | 1,184   | 30    |

GEM segment achieved revenue of RM0.64 million this quarter and RM5.86 million in current year to-date, higher than the corresponding quarter in previous year of RM0.01 million and preceding year to-date of RM0.19 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 RM0.96 million in current quarter and RM2.80 million in current year to-date, as compared to RM1.29 million in corresponding quarter in previous year and RM3.99 million in preceding year to-date, mainly due to higher revenue achieved.

## B2 COMMENT ON MATERIAL CHANGE IN PERFORMANCE COMPARED AGAINST PRECEDING QUARTER

| Group Results   | Current Quarter               | Preceding Quarter             |                     |       |
|---|-------------------------------|-------------------------------|---------------------|-------|
|   | Ended<br>31.08.2021<br>RM'000 | Ended<br>31.05.2021<br>RM'000 | Changes<br>RM'000 % |       |
| Revenue   | 27,787                        | 14,206                        | 13,581              | 96    |
| Gross Profit  | 448                           | 571                           | (123)               | (22)  |
| Profit/(Loss) Before Interest and Tax                                   | (1,766)                       | 396                           | (2,162)             | (546) |
| Profit/(Loss) Before Tax  | (1,787)                       | 378                           | (2,165)             | (573) |
| Profit/(Loss) After Tax   | (1,789)                       | 377                           | (2,166)             | (575) |
| Profit/(Loss) Attributable to Ordinary<br>Equity Holders of the Company | (1,767)                       | 240                           | (2,007)             | (836) |

The Group recorded revenue of RM27.79 million in current quarter, higher as compared to RM14.21 million in previous quarter mainly due to higher revenue in digital trading of precious commodities from Non-Payment Services Segment by RM14.5 million cushioned by lower revenue from distribution and trading of food and beverages in GEM segment by RM0.87 million.

The Group recorded loss before tax of RM1.79 million in current quarter, higher loss as compared to profit before tax of RM0.38 million in previous quarter, mainly due to lower unrealised gain on forex by RM1.70 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.

### **B3 FUTURE PROSPECTS (CONTINUED)**

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 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.

Emicro is also working closely with XOX to offer Shariah Compliant Dealer Financing to XOX dealers. During the pandemic, a lot of people have lost their jobs or getting a pay cut from their employers, hence with this financing, Emicro hopes that able to help the dealers to get a boost for them to make more money and build a more sustainable career with XOX. The financing will be in the form of XOX Sim Cards & Prepaid Top Up, this is to make sure that the dealers doesn’t abuse the financing.

Gem Pay has also partnered with a few payment gateway companies in Malaysia to offer online payment services to it’s merchants. Gem Pay has received a lot of termination from merchant due to they have closed down their physical businesses because of the pandemic. That’s why Gem Pay has decided to offer online payment gateway solutions to it’s merchants. Till date, Gem Pay has secured quite a number of merchants that is using Gem Pay services in their online businesses and the numbers is growing.

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 |
|  | 31.08.2021            | 31.08.2020                                 | 31.08.2021         | 31.08.2020           |
|  | RM'000                | RM'000                                     | RM'000             | RM'000               |
| Profit/(Loss) before tax is stated after charging :- |                       |  |                    |                      |
| Depreciation of plant and equipment                  | 576                   | 330  | 1,713              | 971                  |
| Depreciation of Investment properties                | 14                    | 14   | 42                 | 42                   |
| Depreciation of Right of Use Asset                   | 41                    | -  | 117                | -                    |
| Amortisation of intangible assets                    | 302                   | 309  | 891                | 924                  |
| Bad debts written off                                | -                     | -  | 1                  | -                    |
| Plant and equipment written off                      | -                     | -  | 1                  | 1                    |
| Interest expenses                                    | 21                    | 30   | 97                 | 90                   |
| Foreign exchange (gain) / loss                       | -                     | 3,548                                      | -                  | -                    |
| Fair value losses on other investments               | 13                    | -  | 1,599              | 33                   |
| Fair value losses on short-term investment           | 20                    | -  | 54                 | -                    |
| Share-based Compensation expenses                    | -                     | 394  | -                  | 1,677                |
| Loss on disposal of Investment                       | 52                    | -  | 6,631              | -                    |
| <i>and crediting :-</i>                              |                       |  |                    |                      |
| Interest income                                      | 329                   | 1,175                                      | 1,297              | 1,181                |
| Rental income  | 34                    | 29   | 106                | 76                   |
| Gain on foreign exchange                             | 798                   | -  | 2,767              | 328                  |
| Reversal of impairment loss on trade receivables     | 11                    | -  | 36                 | -                    |
| Fair value gain on other investments                 | -                     | 2,694                                      | -                  | -                    |

**B6 TAXATION**

|                     | Individual Quarter    |  | Cumulative Quarter |                      |
|---------------------|-----------------------|--|--------------------|----------------------|
|                     | Current Quarter Ended | Preceding Year Corresponding Quarter Ended | Current Year Ended | Preceding Year Ended |
|                     | 31.08.2021            | 31.08.2020                                 | 31.08.2021         | 31.08.2020           |
|                     | RM'000                | RM'000                                     | RM'000             | RM'000               |
| Current period      |                       |  |                    |                      |
| - Income taxation   | 2                     | 1  | 4                  | 3                    |
| - Deferred taxation | -                     | -  | -                  | -                    |
| Total               | 2                     | 1  | 4                  | 3                    |

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



## B6 TAXATION (CONTINUED)

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. There is no conclusion on the negotiation between Lambomove and GEM as at 29 October 2021. In view thereof, the MOU shall be deemed as lapsed and have no further force and effect from 29 October 2021.

## 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.

### A) STATUS OF UTILISATION OF PROCEEDS RAISED FROM SHARE ISSUANCE TO MACQUARIE BANK LIMITED (cont’d)

| <b>Purpose</b>                          | <b>Proposed<br/>Utilisation<br/>(RM'000)</b> | <b>Actual<br/>Utilisation<br/>(RM'000)</b> | <b>Balance<br/>(RM'000)</b> | <b>Intended<br/>Timeframe for<br/>Utilisation</b> |
|---|--|--|-----------------------------|---|
| 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 (CONTINUED)

### 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.

| <b>Purpose</b>                          | <b>Purpose Utilisation (RM'000)</b> | <b>Actual Utilisation (RM'000)</b> | <b>Balance (RM'000)</b> | <b>Intended for Timeframe Utilisation</b> |
|---|-------------------------------------|------------------------------------|-------------------------|---|
| 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.

### 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.

| <b>Purpose</b>                                  | <b>Purpose Utilisation (RM'000)</b> | <b>Actual Utilisation (RM'000)</b> | <b>Balance (RM'000)</b> | <b>Intended for Timeframe Utilisation</b> |
|---|-------------------------------------|------------------------------------|-------------------------|---|
| Rebranding and upgrading of the GEM application | 4,573                               | 2,820                              | 1,753                   | Within 24 months                          |
| Expenses for the Private Placement              | 95                                  | 95                                 | -                       | Immediate                                 |
|   | <u>4,668</u>                        | <u>2,915</u>                       | <u>1,753</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.

## B8 STATUS OF UTILISATION OF PROCEEDS (CONTINUED)

### 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

| <b>Purpose</b>                          | <b>Purpose Utilisation (RM'000)</b> | <b>Actual Utilisation (RM'000)</b> | <b>Balance (RM'000)</b> | <b>Intended for Timeframe Utilisation</b> |
|---|-------------------------------------|------------------------------------|-------------------------|---|
| 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.

| <b>Purpose</b>  | <b>Purpose Utilisation (RM'000)</b> | <b>Actual Utilisation (RM'000)</b> | <b>Balance (RM'000)</b> | <b>Intended for Timeframe Utilisation</b> |
|---|-------------------------------------|------------------------------------|-------------------------|---|
| 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                              | 8,275                              | 16,725                  | Within 36 months                          |
| Working capital   | 17,498                              | 5,041                              | 12,457                  | Within 24 months                          |
| Expenses for the Right Issue  | 900                                 | 900                                | -                       | Immediate                                 |
|   | <u>81,398</u>                       | <u>14,216</u>                      | <u>67,182</u>           |   |

## B9 GROUP BORROWINGS AND DEBT SECURITIES

|                             | <b>As at<br/>31.08.2021<br/>Unaudited<br/>RM'000</b> | <b>As at<br/>30.11.2020<br/>Audited<br/>RM'000</b> |
|-----------------------------|--|--|
| <b>Short term borrowing</b> |  |  |
| Term loan - Secured         | <u>389</u>   | <u>370</u>   |
| <b>Long term borrowing</b>  |  |  |
| Term loan - Secured         | <u>1,323</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 August 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:

|   | <b>Individual Quarter</b>        |   | <b>Cumulative Quarter</b>     |                                 |
|---|----------------------------------|---|-------------------------------|---------------------------------|
|   | <b>Current<br/>Quarter Ended</b> | <b>Preceding Year<br/>Corresponding<br/>Quarter Ended</b> | <b>Current Year<br/>Ended</b> | <b>Preceding Year<br/>Ended</b> |
|   | <b>31.08.2021</b>                | <b>31.08.2020</b>   | <b>31.08.2021</b>             | <b>31.08.2020</b>               |
| Net profit/(loss) attributable to owners of the parent (RM) | <u>(1,767,000)</u>               | <u>(1,303,000)</u>  | <u>(11,964,000)</u>           | <u>(2,028,000)</u>              |
| Weighted average number of ordinary shares                  | <u>835,967,337</u>               | <u>4,624,933,444</u>                                      | <u>835,967,337</u>            | <u>4,340,358,900</u>            |
| Basic profit/(loss) per share (sen)                         | <u>(0.21)</u>                    | <u>(0.03)</u>   | <u>(1.43)</u>                 | <u>(0.05)</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 31 August 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.