

NETX HOLDINGS BERHAD (Registration No. 200001030834 (533441-W))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR CURRENT QUARTER AND YEAR TODATE ENDED 31 MAY 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/05/2022 RM'000	PRECEDING YEAR QUARTER 31/05/2021 RM'000	CURRENT YEAR TO DATE 31/05/2022 RM'000	PRECEDING YEAR TO DATE 31/05/2021 RM'000
REVENUE	3,325	1,696	6,188	5,470
COST OF SALES	(2,736)	(1,250)	(5,126)	(4,575)
GROSS PROFIT	589	446	1,062	895
OTHER INCOME	5,236	3,255	5,462	3,167
ADMINISTRATION EXPENSES	(3,888)	(3,162)	(7,870)	(6,780)
OTHER OPERATING EXPENSES	(1,547)	(143)	(1,141)	(8,201)
PROFIT / (LOSS) FROM OPERATIONS	390	396	(2,487)	(10,919)
FINANCE COST	(452)	(18)	(913)	(76)
PROFIT / (LOSS) BEFORE TAX	(62)	378	(3,400)	(10,995)
INCOME TAX EXPENSES	-	(1)	-	(2)
NET PROFIT / (LOSS) FOR THE PERIOD	(62)	377	(3,400)	(10,997)
OTHER COMPREHENSIVE INCOME	(1,692)	(659)	(1,709)	(445)
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD	(1,754)	(282)	(5,109)	(11,442)
NET PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE COMPANY	(183)	241	(3,367)	(10,197)
NON-CONTROLLING INTEREST	121	136	(33)	(800)
	(62)	377	(3,400)	(10,997)
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
OWNERS OF THE PARENT	(1,729)	(366)	(4,949)	(10,602)
NON-CONTROLLING INTEREST	(25)	84	(160)	(840)
	(1,754)	(282)	(5,109)	(11,442)
EARNING/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY :				
Basic (sen)	(0.02)	0.03	(0.40)	(1.22)

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

NETX HOLDINGS BERHAD (Registration No. 200001030834 (533441-W))

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 MAY 2022**

	AS AT 31 May 2022 Unaudited RM'000	AS AT 30 Nov 2021 Audited RM'000
<u>ASSETS</u>		
<u>NON-CURRENT ASSETS</u>		
Plant and Equipment	3,229	4,290
Investment Properties	41,584	38,121
Right Of Use Asset	342	443
Intangible Assets	13,456	13,455
Other Investments	10,048	6,615
Goodwill on Consolidation	5,936	5,936
	<u>74,595</u>	<u>68,860</u>
<u>CURRENT ASSETS</u>		
Inventories	27	13
Trade Receivables	5,720	5,251
Other Receivables, Deposits and Prepayment	16,487	15,303
Contract Assets	1,875	1,875
Current Tax Assets	50	56
Short Term Investment	15,322	25,638
Cash and Bank Balances	58,667	64,404
	<u>98,148</u>	<u>112,540</u>
TOTAL ASSETS	<u><u>172,743</u></u>	<u><u>181,400</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	(2,039)	(457)
Accumulated Losses	(83,354)	(79,987)
	<u>139,710</u>	<u>144,659</u>
Non-Controlling Interest	(4,699)	(4,641)
TOTAL EQUITY	<u>135,011</u>	<u>140,018</u>
<u>NON-CURRENT LIABILITIES</u>		
Term Loan	29,088	31,783
Lease Liabilities	145	245
Deferred Tax Liability	133	133
	<u>29,366</u>	<u>32,161</u>
<u>CURRENT LIABILITIES</u>		
Trade Payables	802	593
Other Payables and Accruals	1,454	4,109
Contract Liabilities	2,068	2,052
Lease Liabilities	204	202
Term Loan	3,838	2,265
	<u>8,366</u>	<u>9,221</u>
TOTAL LIABILITIES	37,732	41,382
TOTAL EQUITIES AND LIABILITIES	<u><u>172,743</u></u>	<u><u>181,400</u></u>
Net Assets per share attributable to owners of the Company (RM)	0.17	0.17

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

NETX HOLDINGS BERHAD (Registration No. 200001030834 (533441-W))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR TODATE ENDED 31 MAY 2022**

	← ATTRIBUTABLE TO OWNER OF THE PARENT →					NON CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000	
	← NON - DISTRIBUTABLE →		← DISTRIBUTABLE →					
	SHARE CAPITAL RM'000	SHARE OPTION RESERVE RM'000	WARRANT RESERVE RM'000	FOREIGN EXCHANGE RESERVE RM'000	ACCUMULATED LOSSES RM'000	TOTAL RM'000		
As at 1 December 2021	205,877	-	19,226	(457)	(79,987)	144,659	(4,641)	140,018
Loss after taxation	-	-	-	-	(3,367)	(3,367)	(33)	(3,400)
Other Comprehensive loss:								
Foreign Currency translation reserve	-	-	-	(1,582)	-	(1,582)	(127)	(1,709)
Total Comprehensive loss for the financial period	-	-	-	(1,582)	(3,367)	(4,949)	(160)	(5,109)
Transactions with owners:								
Issuance of shares pursuant to Private Placement	-	-	-	-	-	-	-	-
Provision of SIS reserve	-	-	-	-	-	-	-	-
Issuance of shares pursuant to exercise of SIS RCPS	-	-	-	-	-	-	102	102
Total Transactions with owners:	-	-	-	-	-	-	102	102
As at 31 May 2022	205,877	-	19,226	(2,039)	(83,354)	139,710	(4,699)	135,011
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

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 2021 and the accompanying explanatory notes attached to the interim financial statements.

NETX HOLDINGS BERHAD (Registration No. 200001030834 (533441-W))
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR TODATE ENDED 31 MAY 2022

	CURRENT YEAR TO DATE 31/05/2022 RM'000	PRECEDING YEAR TO DATE 31/05/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,400)	(10,995)
Adjustment for:		
Amortisation of intangible assets	465	589
Bad debts written off	10	1
Depreciation of plant and equipment	1,155	1,137
Depreciation of investment properties	695	28
Depreciation of right of use assets	101	76
Dividend income	(55)	(350)
Fair value (gain) / loss on other investments	1,251	1,586
Fair value (gain) / loss on short-term investment	(129)	34
Loss on disposal of other investments	-	6,579
Unrealised foreign exchange (gain)/loss	(4,468)	(1,814)
Interest expense	913	76
Interest income	(2)	(618)
Plant and equipment written off	18	1
Reversal of impairment losses on trade receivables	(12)	(25)
Operating (loss) / profit before working capital changes	<u>(3,458)</u>	<u>(3,695)</u>
Changes in contract assets / contract liabilities	16	(78)
Increase in inventories	(15)	-
(Increase) / decrease in receivables	(1,619)	3,111
Decrease in payables	(338)	(1,405)
Cash (used in) / generated from operations	<u>(5,414)</u>	<u>(2,067)</u>
Interest received	2	618
Tax refunded	4	-
Tax paid	(9)	(2)
Cash (used in) / generated from operations activities	<u>(5,417)</u>	<u>(1,451)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	(58)	(4,947)
Acquisition of subsidiary	-	(673)
Additions in other investments	(4,737)	(1,477)
Dividend received	55	350
Proceeds from disposal of investment	-	10,828
Purchase of plant and equipment	(80)	(26)
Purchase of investment properties	(4,158)	-
Net cash (used in) / generated from investing activities	<u>(8,978)</u>	<u>4,055</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(913)	(76)
Withdrawal / (Placement) of short-term investment	10,445	6,650
Repayment of lease liabilities	(97)	(77)
Repayment of term loans	(1,121)	(187)
Non-controlling interests investment in a subsidiary	102	-
Net cash generated from financing activities	<u>8,416</u>	<u>6,310</u>
Net (decrease) / increase in cash and cash equivalents	(5,979)	8,914
Cash and cash equivalents at the beginning of the financial year	64,404	60,593
Effect of exchange differences	242	667
Cash and cash equivalents at the end of the financial year	<u>58,667</u>	<u>70,174</u>
Cash and cash equivalents comprise:		
Short Term Investment	15,322	70,174
Cash and bank balances	58,667	33,371
	<u>73,989</u>	<u>103,545</u>
Less: Short term investment	<u>(15,322)</u>	<u>(33,371)</u>
	<u><u>58,667</u></u>	<u><u>70,174</u></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 2021 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 2022**

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 2021. 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 2021.

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 2021 except for the adoption of the following MFRS and Amendments to MFRS:

<u>MFRSs and Amendments to MFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendment to MFRS 3 Business Combinations – Reference to the Conceptual Framework	1 January 2022
Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standard 2018 - 2020	1 January 2022

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>MFRSs and Amendments to MFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current	1 January 2023

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>
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS128	Consolidated Financial Statements, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 2022.

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 2022.

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 2022.

A6 DIVIDENDS PAID

No dividends were paid during current quarter and year to-date ended 31 May 2022.

A7 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

A8 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 2022 other than as disclosed below:

- 1) On 17 December 2021, Fujian First United Technology Co. Ltd., a subsidiary company has completed the process of strike off the company.
- 2) On 22 December 2021, Gem Pay Sdn Bhd, a subsidiary company has completed the subscription of Second 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.
- 3) On 11 March 2022, Gem Pay Sdn Bhd, a subsidiary company has completed the subscription of Third 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.
- 4) On 28 March 2022, Gem Pay Sdn Bhd, a subsidiary company has entered into a new Shares Subscription Agreement with Emicro Capital (M) Sdn Bhd for subscription of up to 6,500,000 RCPS in Emicro Capital (M) Sdn Bhd at issue price of RM1.00 per RCPS in multiple tranches.
- 5) On 25 May 2022, Gem Pay Sdn Bhd, a subsidiary company has completed the subscription of First tranche of RCPS in Emicro Capital (M) Sdn Bhd, comprised of 4,000,000 RCPS of RM1.00 each pursuant to the new Shares Subscription Agreement dated 28 March 2022.

A9 CONTINGENT LIABILITIES

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

A10 MATERIAL EVENTS SUBSEQUENT TO THE INTERIM REPORTING PERIOD

There were no material events subsequent to the interim reporting period other than those disclosed in Note B7.

A11 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 provision of payment terminal and payment solutions, money lending business, and its related software licensing and services
Money Services	: Involved in provision of money exchange and remittance services, trading of currencies and its related software licensing and services.
Non-electronic Payment services	: Involved in provision of turnkey solutions on the network infrastructure, security management, research and development of software, system design, integration and installation and provision of IT services.

A11 SEGMENTAL INFORMATION (CONTINUED)

GEM : Involved in provision of reservation and planning services and its related solutions.

Others : Other segments comprise investment holding and dormant companies.

	Electronic payment services RM'000	Money Services RM'000	Non- electronic payment services RM'000	GEM RM'000	Others RM'000	Elimination RM'000	Total RM'000
2022							
Revenue							
External revenue	542	3,492	138	1,561	455	-	6,188
Inter-company	-		-	19	-	(19)	-
	542	3,492	138	1,580	455	(19)	6,188
Results							
Segment operating profit/(loss)	(446)	(1,313)	(778)	(1,553)	(2,753)	35	(6,808)
Other operating income							5,462
Other operating expenses							(1,141)
Finance costs							(913)
Loss before taxation							(3,400)
Tax expenses							-
Loss after taxation							(3,400)
Non-controlling interests the Company							33
							(3,367)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Segments assets	8,605	12,529	2,793	14,291	134,525	-	172,743
Total assets							172,743
Segments liabilities	783	89	2,877	462	33,388	-	37,599
Deferred tax liability							133
Total liabilities							37,732

A11 SEGMENTAL INFORMATION (CONTINUED)

	Electronic payment services RM'000	Money 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	159	111	-	5,200	-	-	5,470
Inter-company	-	-	-	20	-	(20)	-
	159	111	-	5,220	-	(20)	5,470
Results							
Segment operating profit/(loss)	(419)	(225)	(1,671)	(1,474)	(2,140)	44	(5,885)
Other operating income							3,167
Other operating expenses							(8,201)
Finance costs							(76)
Loss before taxation							(10,995)
Tax expenses							(2)
Loss after taxation							(10,997)
Non-controlling interests of the Company							800
							(10,197)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Segments assets	3,996	12,295	4,850	12,634	121,382	-	155,157
Total assets							155,157
Segments liabilities	556	8	448	374	1,882	-	3,268
Deferred tax liability							135
Total liabilities							3,403

A12 RELATED PARTY TRANSACTIONS

All related party transactions within the Group had been entered into in the normal course of business and were carried out on normal commercial terms.

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 PERFORMANCE REVIEW

Group Results	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.05.2022 RM'000	31.05.2021 RM'000	RM'000	%	31.05.2022 RM'000	31.05.2021 RM'000	RM'000	%
Revenue	3,325	1,696	1,629	96	6,188	5,470	718	13
Gross Profit	589	446	143	32	1,062	895	167	19
Profit/(Loss) Before Interest and Tax	390	396	(6)	(2)	(2,487)	(10,919)	8,432	77
Profit/(Loss) Before Tax	(62)	378	(440)	(116)	(3,400)	(10,995)	7,595	69
Profit/(Loss) After Tax	(62)	377	(439)	(116)	(3,400)	(10,997)	7,597	69
Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	(183)	241	(424)	(176)	(3,367)	(10,197)	6,830	67

For the current quarter ended 31 May 2022, the Group recorded revenue of RM3.32 million, higher as compared to RM1.70 million in the corresponding quarter in previous year, mainly due to new revenue on sales of foreign currencies in Money Services segment as the new licensed money changer subsidiary was acquired on 28 October 2021 and higher interest earned from money lending business, mitigated by lower revenue from GEM segment, as there were no advertising revenue on GemSpot and lower sales in online food and gift deliveries due to the market reopening post MCO.

The Group recorded a loss before taxation for current quarter of RM0.06 million, slightly higher loss as compared to RM0.38 million in the corresponding quarter in previous year, mainly due to loss on fair value adjustment on quoted investment of RM1.25 million, higher operating and administrative expenses by RM0.73 million and higher loan interest by RM0.43 million from loans in Sungei Wang Plaza Sdn Bhd which was acquired on 30 September 2021, mitigated by higher unrealized forex gain by RM2.31 million as USD and HKD strengthen against Ringgit Malaysia.

For the 6 months ended 31 May 2022, the Group recorded revenue of RM6.19 million, higher as compared to RM5.47 million in the preceding year to-date, mainly due to new revenue on sales of foreign currencies in Money Services segment as the new licensed money changer subsidiary was acquired in November 2021 and higher interest earned from money lending business, mitigated by lower revenue from GEM segment, as there were no advertising revenue on GemSpot and lower sales in online food and gift deliveries due to the market reopening post MCO.

The Group recorded a loss before taxation of RM3.40 million for the current year to-date, lower loss as compared to preceding year to-date of RM10.99 million, mainly due to realized loss on disposal of quoted investment of RM6.57 million in previous year which is none in current year, higher forex gain by RM2.51 million as USD and HKD strengthen against Ringgit Malaysia, lower loss on fair value adjustment of quoted investment by RM0.50 million, mitigated by higher operating and administrative expenses by RM1.09 million and higher loan interest by RM0.86 million from loans in Sungei Wang Plaza Sdn Bhd which was acquired on 30 September 2021.

B1 PERFORMANCE REVIEW (CONTINUED)

Electronic Payment Services and Money Lending Segment

Electronic Payment Segment	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.05.2022	31.05.2021	RM'000	%	31.05.2022	31.05.2021	RM'000	%
Revenue	312	88	224	255	542	159	383	241
Gross Profit	211	57	154	270	314	108	206	191
Loss Before Interest and Tax	(147)	(264)	117	44	(432)	(393)	(39)	(10)
Loss Before Tax	(147)	(263)	116	44	(433)	(393)	(40)	(10)
Loss After Tax	(147)	(263)	116	44	(433)	(393)	(40)	(10)

For the current quarter ended 31 May 2022, this segment reported revenue of RM0.31 million, higher as compared to RM0.09 million in the corresponding quarter in previous year, mainly contributed from higher interest earned from money lending business. The number of financing transactions for used car dealers has grown tremendously as the used car dealers need to purchase more stocks for their customers due to supply chain disruption leading to the shortage of microchips for new motor vehicles globally.

The segment recorded loss before tax of RM0.15 million in current quarter, lower loss as compared to RM0.26 million in the corresponding quarter in previous year, mainly due to higher interest earned from money lending business.

For the 6 months ended 31 May 2022, this segment reported revenue of RM0.54 million, higher as compared to RM0.16 million in previous year, mainly contributed from higher interest earned from money lending business and higher sales & maintenance of payment terminal.

The segment recorded loss before tax of RM0.43 million for the current year to-date, slightly higher loss as compared to RM0.39 million in preceding year to-date, mainly due to resources invested for promoting licensed money lending business, mitigated by higher gross profit and revenue achieved.

Money Services Segment

Money Services Segment	Individual Quarter				Cumulative Quarter			
	Ended	Ended	Changes		Ended	Ended	Changes	
	31.05.2022	31.05.2021	RM'000	%	31.05.2022	31.05.2021	RM'000	%
Revenue	2,200	111	2,089	95	3,492	111	3,381	97
Gross Profit	27	(1)	28	104	43	(1)	44	102
Profit/(Loss) Before Interest and Tax	(586)	(173)	(413)	239	(1,160)	(251)	(909)	362
Profit/(Loss) Before Tax	(587)	(173)	(414)	239	(1,161)	(251)	(910)	363
Profit/(Loss) After Tax	(587)	(173)	(414)	239	(1,161)	(251)	(910)	363

B1 PERFORMANCE REVIEW (CONTINUED)

Money Services Segment (Cont'd)

The revenue in this segment contributed from the provision of EFX platform services and the sales of foreign currencies from licensed money changer. The revenue for current quarter and year to-date is higher than corresponding quarter in preceding year and preceding year to-date mainly due to sales of foreign currencies from new licensed money changer subsidiary which was acquired in November 2021.

This segment recorded loss before tax of RM0.59 million for current quarter and RM1.16 million for current year to-date, higher loss as compared to RM0.17 million in corresponding quarter in preceding year and RM0.25 million in preceding year to-date respectively, mainly due to maintaining the business in licensed money changer as well as EFX platform while pending border restriction of foreign countries to be lifted in the future.

Non-electronic Payment Services Segment

	Individual Quarter				Cumulative Quarter			
	Ended 31.05.2022 RM'000	Ended 31.05.2021 RM'000	Changes		Ended 31.05.2022 RM'000	Ended 31.05.2021 RM'000	Changes	
Non -Electronic Payment Segment			RM'000	%	RM'000	RM'000	RM'000	%
Revenue	54	-	54	100	138	-	138	100
Gross Profit	5	-	5	100	8	-	8	100
Profit/(Loss) Before Interest and Tax	(131)	(803)	672	84	(499)	(1,615)	1,116	69
Profit/(Loss) Before Tax	(133)	(803)	670	83	(503)	(1,616)	1,113	69
Profit/(Loss) After Tax	(133)	(805)	672	83	(503)	(1,618)	1,115	69

Currently Non-Electronic payment services segment only supplies network equipment and infrastructure on a confirmed project basis. There was no revenue in previous year as there were no project in previous year.

This segment recorded loss before tax of RM0.13 million for current quarter and RM0.50 million for current year to-date, lower loss as compared to RM0.80 million in corresponding quarter in preceding year and RM1.62 million in preceding year to-date respectively, mainly due to unrealized forex gain of RM0.23 million and lower general administration & depreciation expenses.

GEM Segment

	Individual Quarter				Cumulative Quarter			
	Ended 31.05.2022 RM'000	Ended 31.05.2021 RM'000	Changes		Ended 31.05.2022 RM'000	Ended 31.05.2021 RM'000	Changes	
GEM			RM'000	%	RM'000	RM'000	RM'000	%
Revenue	526	1,514	(988)	(65)	1,580	5,220	(3,640)	70
Gross Profit	142	407	(265)	(65)	334	808	(474)	59
Loss Before Interest and Tax	(759)	(517)	(242)	47	(1,547)	(1,471)	(76)	5
Loss Before Tax	(759)	(517)	(242)	47	(1,547)	(1,471)	(76)	5
Loss After Tax	(759)	(517)	(242)	47	(1,547)	(1,471)	(76)	5

B1 PERFORMANCE REVIEW (CONTINUED)

GEM Segment (Cont'd)

For the current quarter and year to-date ended 31 May 2022, GEM segment reported revenue of RM0.53 million in current quarter and RM1.58 million in current year to-date, lower revenue as compared to RM1.51 million in corresponding quarter in previous year and RM5.22 million in preceding year to-date respectively, mainly due to lower sales in online food and gift deliveries due to the market reopening post MCO. More focus has been channeled into the platform's upgrading development works which is also translated to parking advertising and promotional activities to the second half of the year once the new upgraded mobile app and web has been launched.

This segment achieved a higher loss before tax of RM0.76 million in current quarter and RM1.55 million in current year to-date, as compared to RM0.52 million in corresponding quarter in previous year and RM1.47 million in preceding year to-date, mainly due to lower revenue achieved.

B2 COMMENT ON MATERIAL CHANGE IN PERFORMANCE COMPARED AGAINST PRECEDING QUARTER

	Current Quarter	Preceding Quarter	Changes	
	Ended 31.05.2022 RM'000	Ended 28.02.2022 RM'000		
Group Results				
Revenue	3,325	2,863	462	16
Gross Profit	589	473	116	25
Profit/(Loss) Before Interest and Tax	390	(2,877)	3,267	114
Profit/(Loss) Before Tax	(62)	(3,338)	3,276	98
Profit/(Loss) After Tax	(62)	(3,338)	3,276	98
Profit/(Loss) Attributable to Ordinary Equity Holders of the Company	(183)	(3,184)	3,001	94

The Group recorded revenue of RM3.32 million in current quarter, higher as compared to RM2.86 million in previous quarter mainly due to increase in sales of foreign currencies from licensed money changer as Malaysia lifted its border restriction in April 2022.

The Group recorded loss before tax of RM0.06 million in current quarter, lower loss as compared to RM3.34 million in previous quarter, mainly due to unrealized forex gain of RM4.81 million as USD and HKD strengthen against Ringgit Malaysia against unrealized forex loss of RM0.35 million in previous quarter, mitigated by loss on fair value adjustment of quoted investment of RM1.25 million in current quarter against gain on fair value adjustment of quoted investment of RM0.36 million in previous quarter.

B3 FUTURE PROSPECTS

Electronic Payment Services and Money Lending Segment

As Malaysia had transitioned to endemic in Q2 2022, more economic sectors have started to operate.

eMicro have onboarded quite a numbers of used car dealers, the numbers of financing for used car dealers has grown tremendously as the used car dealers need to purchase more stocks for their customers due to supply chain disruption leading to the shortage of microchips for new motor vehicles globally.

Money Services Segment

While the Group is still developing the digital platform which offers travellers with an option to purchase foreign currencies, Mountain Money Sdn Bhd (“MMSB”) has seen a growth of 73% in their transactions due to the opening of borders. As there are quite a big numbers of money changers closed down during the pandemic, the Group feel that it’s the time to expand the foreign exchange business to cover more locations within and outside of the nation.

Non-electronic Payment Services Segment

Under the non-electronic payment services segment, the Group provides systems integration and hardware solutions including the supply of network equipment and infrastructure on a project basis. While the Group endeavours to continue to procure projects for this segment, the project nature of such business is expected to contribute to the volatility in the Group’s revenue.

GEM Segment

Malaysia’s economy growth is on track in first half of 2022 following the full withdrawal of movement restrictions, impressive vaccine rollout and swift implementations of economic policy support measures. The Malaysian economy registered a positive growth of 5.0% in the first quarter of 2022 as domestic consumption increases with declining employment rate to 4.1% compared to 4.3% in Q4, 2021. This is inline with the growth projection of domestic economy growth at 5.3% to 6.3% as announced in March 2022.

The reopening of the entertainment segment on 15 May 2022 marks the end of Malaysia’s 27-month battle against Covid-19. This is good news for GemSpot as it means that there will be more venue listings for the public to choose to host their celebrations.

In preparation to launch GemSpot and GemSpot Biz beta version to the market, creative and engaging initiatives were activated through mixed media advertising in first half of 2022. Consistent weekly on-ground activations were executed in F&B venue partner outlets since January 2022 and replicated for the entertainment venue partners upon the entertainment segment reopening on 15 May 2022. This resulted in an increased Gross Merchant Value of 176% in May and 50% in June not to mention a spike in event bookings.

GemSpot also continues with the monthly content marketing and has seen results of over 700,000 impressions in the first half of 2022. GemSpot loyal users were enticed to test out GemSpot beta via an EDM invitation in Q1 of 2022. This provided feedback to further improve the UI/UX for GemSpot beta before mass launching it.

B3 FUTURE PROSPECTS (CONTINUED)

GEM Segment (Cont'd)

GemSpot social media has been actively sharing relevant content to keep users excited for the new GemSpot beta launch. As added value and support to merchants, some of GemSpot's social media and editorial contents are angled to promote the merchants to create a win-win gain for both parties.

GemSpot beta is being tested extensively in first half of 2022 and is now lived in the App Store and Google Play. Users can expect to have a selection of premium venues, general party decoration items as well as curated party decoration sets, sound and lights setup and talents to enhance their celebration experience.

An increase in celebration planning will be expected in Q4 2022 due to the string of festive celebrations and the nature of Malaysians to celebrate these festivals. There is also the usual birthday, engagement, proposal and anniversary celebration on top of the festive celebrations. GemSpot aims to build awareness of the app through digital campaigns, out-of-home digital billboards and collaboration with KOLS, starting in Q3 2022.

One of the great benefits of using GemSpot is the preorder feature where it will help merchant to effectively plan their inventory and resources to maximize their revenue during the peak time of festive celebrations. GemSpot will be rolling out exclusive promotions with merchants to drive usage of the app in Q4 2022.

With the economy growth being on track and all economy sectors back in full force, GemSpot is seeing a growing trend in celebration now and foresee that it will keep increasing. With the excitement of GemSpot going live and exciting upcoming promotions, the Group is optimistic to see continuous growth in GMV for second half of 2022.

Group

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 2022.

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
	31.05.2022	31.05.2021	31.05.2022	31.05.2021
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is stated after charging :-				
Amortisation of intangible assets	235	297	465	589
Bad debts written off	10	1	10	1
Depreciation of plant and equipment	580	571	1,155	1,137
Depreciation of investment properties	354	14	695	28
Depreciation of right-of-use assets	50	43	101	76
Fair value losses on other investments	1,617	126	1,251	1,586
Fair value losses on short-term investment	-	15	-	34
Interest expenses	452	18	913	76
Plant and equipment written off	-	1	18	1
Loss on disposal of investment	-	14	-	6,579
<i>and crediting :-</i>				
Gain on foreign exchange - realised	3	44	6	155
Gain on foreign exchange - unrealised	4,814	2,501	4,468	1,814
Interest income	1	353	2	618
Dividend income	8	177	55	350
Rental income	80	35	132	72
Reversal of impairment gain on trade receivables	9	25	12	25
Fair value gain on short-term investment	71	-	129	-

B6 TAXATION

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended	Preceding Year Corresponding Quarter Ended	Current Year Ended	Preceding Year Ended
	31.05.2022	31.05.2021	31.05.2022	31.05.2021
	RM'000	RM'000	RM'000	RM'000
Current period				
- Income taxation	-	1	-	2
- Deferred taxation	-	-	-	-
Total	-	1	-	2

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 2 December 2021, the Company proposed to undertake the private placement of up to 167,193,400 new ordinary shares, representing up to approximately 20% of the total number of issued shares of the Company to third party investor(s). Bursa Securities has, vide its letter dated 23 December 2021, approved the listing and quotation of the placement shares to be issued pursuant to the private placement. Bursa Securities has approved the extension of completion of the private placement to 23 December 2022 via its letter dated 15 June 2022.

B8 STATUS OF UTILISATION OF PROCEEDS

A) STATUS OF UTILISATION OF PROCEEDS RAISED FROM SHARE ISSUANCE TO MACQUARIE BANK LIMITED

On 16 June 2017, the Company entered into a conditional subscription agreement with Macquarie Bank Limited (“Macquarie Bank”) in relation to the proposed issuance and allotment of up to 500 million new ordinary shares in NetX to Macquarie Bank in accordance with the terms and conditions of the Subscription Agreement (“Proposed Share Issuance”)

The Shares Issuance was completed on 19 January 2018. The 500 million Subscription Shares under the Share Issuance have fully subscribed by Macquarie Bank raising RM21,103,000 for the Company.

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

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Intended Timeframe for Utilisation
Development and marketing of eFX System	20,000	9,421	10,579	Within 48 months
Working Capital	323	323	-	Within 24 months
Expenses for the Share Issuance	780	780	-	Immediate
	<u>21,103</u>	<u>10,524</u>	<u>10,579</u>	

B) 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.

B8 STATUS OF UTILISATION OF PROCEEDS (CONTINUED)**B) PRIVATE PLACEMENT OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES TO THIRD PARTY INVESTOR(S) (CONT'D)**

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	4,573	-	Within 24 months
Expenses for the Private Placement	95	95	-	Immediate
	<u>4,668</u>	<u>4,668</u>	<u>-</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.

C) 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	4,581	-	Within 24 months
Expenses for the Private Placement	110	110	-	Immediate
	<u>4,691</u>	<u>4,691</u>	<u>-</u>	

B8 STATUS OF UTILISATION OF PROCEEDS (CONTINUED)

D) 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	205	24,795	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	11,454	13,546	Within 36 months
Working capital	17,498	10,327	7,171	Within 24 months
Expenses for the Right Issue	900	900	-	Immediate
	<u>81,398</u>	<u>27,886</u>	<u>53,512</u>	

B9 GROUP BORROWINGS AND DEBT SECURITIES

	As at 31.05.2022 Unaudited RM'000	As at 30.11.2021 Audited RM'000
Short term borrowing		
Term loan - Secured	<u>3,838</u>	<u>2,265</u>
Long term borrowing		
Term loan - Secured	<u>29,088</u>	<u>31,783</u>

The term loans is denominated in Ringgit Malaysia and the interest rate of the term loan at the reporting date is 4.13% to 5.45% per annum.

B10 DIVIDEND PAYABLE

No dividend was declared or paid in quarter and year-to-date ended 31 May 2022.

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:

	Current Quarter Ended 31.05.2022	Preceding Year Corresponding Quarter Ended 31.05.2021	Current Year Ended 31.05.2022	Preceding Year Ended 31.05.2021
Net profit/(loss) attributable to owners of the parent (RM)	<u>(183,000)</u>	<u>241,000</u>	<u>(3,367,000)</u>	<u>(10,197,000)</u>
Weighted average number of ordinary shares	<u>835,967,337</u>	<u>835,967,337</u>	<u>835,967,337</u>	<u>835,967,337</u>
Basic profit/(loss) per share (sen)	<u>(0.02)</u>	<u>0.03</u>	<u>(0.40)</u>	<u>(1.22)</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 May 2022 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 2021 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.