VALUE CREATION THROUGH INNOVATION

ANNUAL REPORT 2021

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

21st ANNUAL GENERAL MEETING

BROADCAST VENUE
Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana,
Tropicana Golf & Country Resort,
47410 Petaling Jaya, Selangor Darul Ehsan

DATE
17 May 2022, Tuesday

TIME
10.00 a.m.

WHAT INSIDE THIS REPORT

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SIK EEK
Executive Director

CHU CHEE PENG
Independent Non-Executive Director

ONG SIEW MIN
Independent Non-Executive Director

YONG KET INN
Non-Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman
Chu Chee Peng

Members
Yong Ket Inn
Ong Siew Min

NOMINATING AND REMUNERATION COMMITTEE

Chairman
Chu Chee Peng

Members
Yong Ket Inn
Ong Siew Min

COMPANY SECRETARIES

Chong Voon Wah
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(MAICSA 7055003)

Thai Kian Yau
(SSM PC No. 202008001515)
(MIA 36921)

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Wilayah Persekutuan

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CORPORATE OFFICE

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Selangor Darul Ehsan

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PRINCIPAL BANKER

United Overseas Bank (Malaysia) Bhd

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(ACE Market)
Stock Name : **NETX**
Stock Code : **0020**

WEBSITE

http://www.netx.com.my

CORPORATE STRUCTURE

NETX HOLDINGS BERHAD

- **100%** Ariantec Sdn Bhd
  - **100%** GEM Live Sdn Bhd
    - **100%** GEM Excite Sdn Bhd
  - **100%** NetX Digital Limited
    - **100%** NetX Digital Taiwan Limited
- **99.31%** Gem Pay Sdn Bhd
  - **60%** Emicro Capital (M) Sdn Bhd
    - **100%** Estamp Solutions Sdn Bhd
    - **100%** Emicro Services Sdn Bhd
- **90%** First United Technology Limited
- **100%** e-FX Sdn Bhd
  - **49%** Mountain Money Sdn Bhd
  - **100%** eFX Global Pty Ltd
- **100%** Sungei Wang Plaza Sdn Bhd
- **100%** Sungei Wang Holdings Sdn Bhd

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PROFILE AND BUSINESS

NetX Holdings Berhad ("**NetX**" or "**Company**" or "**Group**") is a public listed technology company on Bursa's ACE Market. Founded in 2000, NetX started off dealing primarily with the supply of network equipment and infrastructure. Growing from strength to strength, today, the Company pioneers the advancement of disruptive technologies through its subsidiaries in various industries, namely digital platforms, e-payment solutions, e-commerce and IT infrastructure, among others.

The Group focuses on three key business pillars via its subsidiaries, namely:

i) Electronic payment services - Provision of payment software licensing, mobile payment solutions and payment terminals as well as engage in money changer services and money lending businesses.

ii) Non-electronic payment services - Provision of turnkey solutions on network infrastructure, security management, system design, system integration and system installation, maintenance and support services including the supply of related software and hardware and digital trading of precious commodities asset.

iii) GEM - A lifestyle technology company specialising in digital application creations that aim at disrupting the Food and Beverage ("F&B"), entertainment and events scenes by offering greater access and value to both customers and businesses.

CORPORATE VISION

In line with the Group's strategy and vision in rethinking possibilities, NetX focuses on improving its existing innovative technologies in order to gain competitive edge and turn itself into one of the market leaders.

NetX firmly believes in its philosophy of finding new and improved ways of doing things through technology. Its businesses are geared towards redefining and challenging established and conventional practices that bring value to benefit the entire community. The Group believes in harnessing existing technologies that have the potential to disrupt conventional standards and change the landscape of industries.

GROUP FINANCIAL REVIEW

	Year Ended 30-Nov-21 RM'000	Year Ended 30-Nov-20 RM'000	Variance RM'000	%
Revenue	11,722	14,897	(3,175)	(21)
Gross Profit	1,264	8,914	(7,650)	(86)
Gross Profit Margin (%)	*11%*	*60%*	-	*(49)*
Other Operating Income	7,801	2,473	5,328	215
Administrative Expenses	(14,124)	(15,556)	1,432	9
Other Operating Expenses	(16,844)	(12,728)	(4,116)	(32)
Loss Before Tax	(22,369)	(17,013)	(5,356)	(31)
Loss Attributable to Ordinary Equity Holders of the Company	(20,792)	(15,871)	(4,921)	(31)

Management Discussion and Analysis

GROUP FINANCIAL REVIEW (CONTINUED)

Revenue and Gross Profit

The Group's revenue reduced from RM14.90 million in the previous year to RM11.72 million in the current year, mainly due to lower project sales of network equipment and infrastructure , but mitigated by higher revenue in sales of terminal and higher food delivery and gifting business as the Malaysia movement control order and the pandemic accelerated the trend of ordering online.

However, the gross profit margin reduced from 60% in the previous year to 11% in the current year; as gross profit margin of distribution and trading of food and beverages sales in GEM segment were lower than gross profit margin of project sales of net network equipment and infrastructure in previous year.

Other Income

The other income of the Group of RM7.80 million in current year, higher than RM2.47 million in previous year mainly due to unrealized gain on foreign exchange of RM3.46 million and profit from digital trading of precious commodities of RM0.80 million in current year, which is none in previous year.

Administrative Expenses

The administrative expenses of the Group of RM14.12 million in current year is lower than RM15.56 million in previous year mainly due to lower unrealized loss on foreign exchange of RM2.43 million in previous year, which is none in current year, mitigated by higher operating expenses on resources invested for maintaining newly acquired subsidiaries in licensed money lending business.

Other Operating Expenses

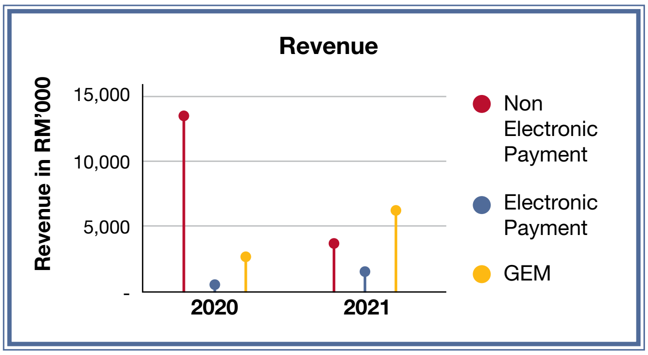
The other operating expenses of the Group of RM16.84 million in current year, higher than RM12.73 million in previous year mainly due to realized loss on disposal of investment in public listed company of RM6.65 million and intangible assets written off of RM2.59 million in current year, mitigated by lower impairment loss on intangible assets by RM3.77 million and share-based compensation expenses for share option granted to employees of RM1.68 million in previous year which is none in current year.

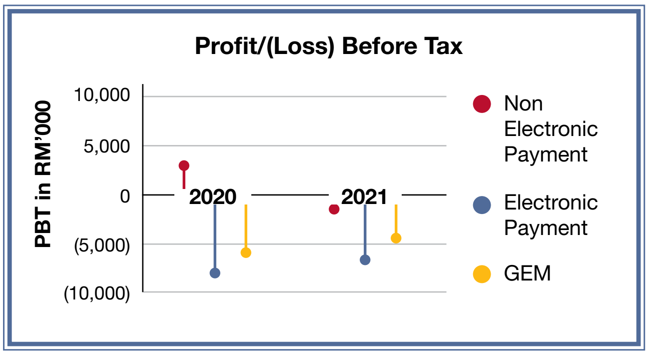
Loss Before Tax

The loss before tax of the Group in current year of RM22.37 million, higher than RM17.01 million in previous year, mainly due to lower gross profit margin, couple with higher other operating expenses, which was explained in the note above.

REVIEW OF BUSINESS AND OPERATIONS

The Group operates in three different business segments according to the nature of activities of its subsidiaries, namely electronic payment services, non-electronic payment services, and GEM's mobile app.





REVIEW OF BUSINESS AND OPERATIONS (CONTINUED)

(A) Non-Electronic Payment Services

Under the Non-Electronic Payment Services segment, the Group provides network infrastructure, security management, system design, system integration and system installation, including the supply of related software and hardware and its maintenance and support. During the year, the Group started to involve in digital trading of precious commodities assets under this segment.

The revenue from this segment is dependent on projects secured and the project nature of such business is expected to contribute to the volatility in the Group's revenue. This segment achieved a lower revenue of RM4.00 million in current year than RM12.49 million in the previous year, mainly due to lower projects sales of network equipment and infrastructure in current year.

This segment reported a loss before tax of RM1.39 million in current year, mainly due to lower sales and lower gross profit margin on project sales of network equipment and infrastructure.

(B) Electronic Payment Services

This business segment includes the following:

- Provision of payment software licensing, mobile payment solutions and support services including its related software and hardware;
- Provision of Master Merchant and sub-contractors' services and revenue sharing with financial services company in Malaysia;
- Sales and Rental of payments terminal;
- Licensed money lending business; and
- Money services business via licensed money changer.

The revenue from this segment improved from RM0.36 million in the previous year to RM1.15 million in the current year mainly due to higher revenue from sales of terminal and new revenue from licensed money lending and money services business.

This segment recorded loss before tax of RM7.41 million in current year, lower than loss before tax in previous year of RM8.06 million. Current year loss mainly derived from impairment on intangible assets of RM4.29 million (2020: RM6.45 million), and resources invested for maintaining newly acquired subsidiaries in licensed money lending and licensed money changer businesses.

The Group has been involved in the electronic payment services segment through the provision of payment software licensing, mobile payment solutions, master merchant services and deployment of its payment terminals, a device that allows acceptance of payment cards to complete payment transactions. Payment terminals are widely used by merchants in the retail sector as a common means of effecting payment for goods and/or services using debit cards and credit cards. The Group earns fees and charges via fixed annual rental fee for the payment terminals payable by the merchants as well as commission fee for every transaction performed through the payment terminals.

The Group has also collaborated with a few payment gateway companies in Malaysia to offer online payment services to its merchants, via its subsidiary, Gem Pay Sdn Bhd ("**Gem Pay**"). Gem Pay has received a lot of termination notifications from merchant following cessation of their physical businesses due to the pandemic. As such, it has decided to offer online payment gateway solutions to its merchants. As at to-date, Gem Pay has secured sizeable number of merchants using Gem Pay services in their online businesses and the numbers are continuously growing.

Management Discussion and Analysis

REVIEW OF BUSINESS AND OPERATIONS (CONTINUED)

(B) Electronic Payment Services (Continued)

The Group has on 14 December 2020, via Gem Pay acquired 60% equity interest in Emicro Capital (M) Sdn Bhd ("**eMicro**"). eMicro is primarily involved in the licensed money lending business. In today's challenging retail business environment and economic condition, merchants are looking for trusted way to help drive average order values and conversion volumes. Consumers are looking for more flexible and responsible ways to purchase their needs. This acquisition allows NetX to venture into the microfinancing business to diversify the revenue stream of the Group.

eMicro has also commenced the offering of staff loan services to several companies. By tapping into company Human Resouce records, the staff will be able to withdraw their salary in advance through eMicro platform. In case of emergency, the staff will be able to apply for the loan and receive the funds within 24 hours without going through tedious loan application processes.

eMicro is also exploring with XOX Bhd ("**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 would be able to assist the dealers to secure more sales and build a more sustainable career with XOX. The financing will be in the form of XOX Sim Cards and Prepaid Top Up to ensure that the dealers doesn't abuse the financing.

In addition, the Group had also on 28 October 2021 acquired 49% equity interest in Mountain Money Sdn Bhd ("**MMSB**"), a licensed money changer registered under Bank Negara Malaysia ("**BNM**"). This acquisition allows NetX to venture into the money service business to diversify the revenue stream of the Group.

(C) GEM

Staying aligned with its inception concept of "Great Experiences Matter" ("**GEM**") and following suit after the 2020 global pandemic that drove the business model to strictly delivery, GemSpot has expanded its services to merchants beyond simple food delivery, but on-ground activation opportunities, supported and promoted by GemSpot's multiple online channels.

GEMSPOT™

In 2021, GemSpot mobilised its production division to create engaging campaigns and product placement alongside sponsored merchants in order to move more inventory during the second Movement Control Order (MCO). Understanding that merchants may face steep fees along with decreased sales, GemSpot's marketing division subsidised a portion of the delivery fee within a specific delivery distance in order to absorb some costs for users and merchants. The results proved positive as users became return buyers, accumulating their loyalty points week-to-week. Redemptions rate on loyalty points reached over 650 bi-monthly.

Last year also saw the launch of GemSpot's Loyalty Programme, which has assisted GemSpot to retain its users and maintain their spendings on the GemSpot platform. Initiatives in collaborations with merchants on rotation every month also helped to increase engagement, visibility and purchases for merchants that had slower performance upon signing as a partner with GemSpot Biz.

In the fourth quarter of 2021, Malaysia entered into a National Recovery Programme that saw the slow but safe re-opening of dine-in. With that opportunity, GemSpot activated its on-ground promotions in tandem with active merchants in order to generate more sales by giving dine-in users the opportunity to not only interact with the GemSpot user platform, but also enjoy discounts at the venue they patron.

REVIEW OF BUSINESS AND OPERATIONS (CONTINUED)

(C) GEM (Continued)

GemSpot's revenue in 2021 has improved from RM2.05 million to RM6.57 million from its previous year, mainly aided by exclusive merchants signed onto the platform and its multiple promotions for both merchants and users to enjoy. Further positioning its market relevance is the opening up of Seasonal Gifting Delivery, which allows users to purchase and send gifts that are personalised to friends or families. This segment's loss before tax has reduced from RM6.13 milllion to RM4.90 million, which also helped to lower its annual loss from the previous financial year.

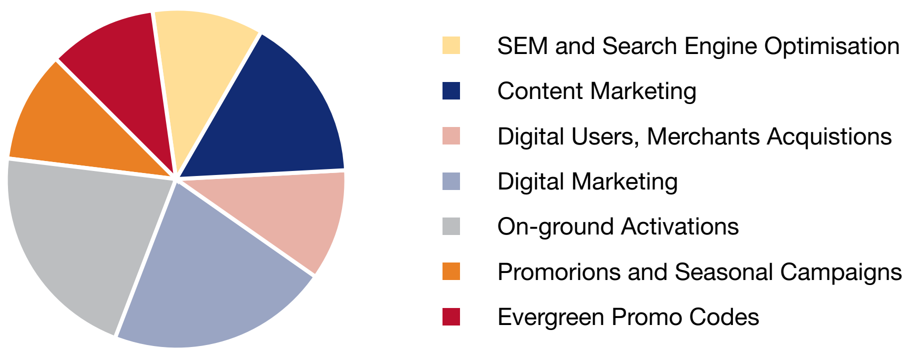
GemSpot (consumer application)

- Dining Vouchers: allowing users to purchase dining sets curated by specific merchants for redemption before specified expiry
- Food & Gift Delivery: allowing users to purchase meals or gifts from various F&B and Gifting Vendors, delivered to a specified locations within 40km
- Concierge Service/Event Planning: allowing users access to the concierge service of GemSpot that provides event planning services and purchasing arrangements

GemSpot's main source of income derives from commission from merchants, product photography, advertised and sponsored content as well as personalised concierge service. GemSpot Biz enables merchants to have control and management capability of their outlet(s), products and services, and maintain a smooth operation within their entity.

GEM's Marketing Strategies:

Marketing Stategies



GEM Live's marketing initiatives for its previous years have been heavily parked in digital and promotion subsidies. With the spread of COVID-19 increasing during the middle of the year, the government called for a second MCO which closed the door for dine-in patrons for the F&B sector.

Responding to the state of GemSpot's service area, the company launched several initiatives to assist its merchants to generate more sales and business queries. The first and most effective being delivery subsidies up to a certain delivery distance that brought more users to the platform and increased transactions.

Promotions offered on GemSpot were announced through its social media platforms and released to the market with adspend in order to create more leads and new activations. Marketing communications focused primarily on specific product inventories of select merchants, so that the call-to-action for users could be more targeted.

In the third quarter of 2021, GemSpot launched its evergreen promo code "New on Gem" to support new merchants in advertising their outlets to GemSpot users. Redemptions on this saw a climb in its second month, following the decision to have the promo code featured on its landing page. This evergreen promotion also gave new merchants the confidence to remain on GemSpot Biz and provide their products/services to GemSpot users.

REVIEW OF BUSINESS AND OPERATIONS (CONTINUED)

(C) GEM (Continued)

GemSpot also focused heavily on merchant acquisition through digital advertising, going full throttle on content creation with SEM in order for business operators to interact with GemSpot on a partnership level. By launching a touch point on its website for merchants to enquire more, it allowed the sales team to work off inquisitive leads rather than cold calls. This helped to acquire close to 30 new merchants, with several exclusive partnerships.

ANTICIPATED RISKS AND MITIGATING FACTORS

The Group's business activities may be exposed to risks, most of which are beyond our control. Recognising the importance of having a structured and organised approach to identify and mitigate risks that may have a material impact on our operations and performance, financial condition and liquidity, a risk management and internal control framework has been established. The Group is exposed to the following identified major risks:

(i) Changes in Technology Risk

The Group operates in a dynamic market where its products are prone to the evolving needs of the ICT and mobile payment industry and the online food delivery service market, frequent and potentially new product introductions and enhancements that may be disruptive to the industry. The Group's future growth and success would significantly depend on continuous marketing acceptance of its products, and its ability to develop new products to meet the requirements of the Group's customers.

Hence, the Group is keeping abreast of the latest industry trends and developments, both locally and abroad. The Group is focusing its efforts on developing the latest generation of its mobile app (GemSpot) which provides a platform for users to access popular restaurants or events, and make reservations or request food or gift deliveries. Besides, the Group also invests in new product development and infrastructure and is exploring to acquire smaller technology companies that will enhance its solution offerings to improve competitiveness.

(ii) Competition Risk

The Group is also mindful of the change in the competitive landscape. The Group faces competition from new entrants, as well as the existing players in industries that offer similar products and services. In order to gain competitive edge, the Group may need to incur additional costs to undertake marketing, advertising and promotional activities for continuous acquisition of consumers and merchants to use its application. The management of the Group will remain relevant by leveraging on present and future strategic alliances to create sustainable value. As part of the risk management initiatives, the Group is continually seeking viable strategic alliances.

(iii) Investment Risk

The Group is exposed to investment risk as it invests in new product development initiatives and infrastructure or acquiring smaller technology companies that will enhance its solution offerings to improve competitiveness. Pre-investment assessments and evaluation of proposed investments are carried out by the Executive Director before being presented to the Board of Directors for approval. Skilled and experienced workforce will be designated to implement the investment plan, and closely monitored by the Executive Director. The Board of Directors monitors investment progress and results through regular updates from the Executive Director or the management in the Board of Directors meetings.

(iv) Foreign Exchange Risk

The Group is exposed to foreign currency risk on sales, software developments and investments, that are denominated in a currency other than Ringgit Malaysia. The currencies giving rise to this risk are primarily the U.S. Dollar ("USD") and the HKG Dollar ("HKD"). As such, any fluctuation in foreign exchange rates would have an impact on our profitability and financial performance. To mitigate the impact of currency fluctuation on our financial results, the exposure of foreign currency risk is closely monitored on an on-going basis to ensure that the net exposure is at an acceptable level.

Management Discussion and Analysis

ANTICIPATED RISKS AND MITIGATING FACTORS (COTINUED)

(v) Credit Risk

The Group's exposure to credit risk arises primarily from trade receivables. The Group manages its credit risk exposure of receivables by assessing counterparties' financial standings on an on-going basis, credit check using a more stringent process of vetting new customers' profiles and implementing a more proactive legal recovery process for delinquent accounts.

(vi) Political, economic and regulatory considerations

Any developments in political, economic, regulatory and social conditions could materially impact the Group's financial and business prospects. Other political uncertainties that could unfavourably impact us include changes in political leadership, war, economic downturn, financial crisis, expropriation, nationalisation, re-negotiation or nullification of existing contracts, changes in interest rates and methods of taxation. The directors keep abreast of the government policies, rules and regulations and will take necessary action to ensure compliance.

(vii) Reliance on key relationships with Acquirer

The Group's payment services business is heavily depending on the relationship with the Acquirer and its intent in acquiring merchants. An Acquirer is an entity (bank or non-bank) registered with BNM that provides merchant acquiring, including inter-alia, signing up merchants, deploying EFTPOS terminals for payment cards and accepting card payments on behalf of merchants. Our subsidiary, GEM Pay, is a master merchant appointed by two (2) Acquirers to recruit qualified merchants to sign up for our payment solutions. GEM Pay is constantly looking at collaborations with other Acquirers or business partners to ensure that we are not depending on merely two (2) Acquirers.

FUTURE OUTLOOK

COVID-19 has had a major impact on global growth, particularly due to its capacity to disrupt and dismantle development progress that has been made across social, business and economic fronts. COVID-19 pandemic has also signaled a swift in consumer behaviour to digital economy as means to acquiring essential products.

In 2020, growth within the digital economy has understandably accelerated as the COVID-19 pandemic has resulted in emergence of new digital businesses. The Group foresees that the digital wave will continue to transform our daily lives and in relation thereto, the Group is desirous to expand its fintech segment to capitalise on the digital transformation created by the COVID-19 pandemic.

The COVID-19 pandemic has brought upon a slowdown in economic activities which negatively affected the cash flows of numerous entities, especially households from the low to medium income group as well as MSMEs. This represents an opportunity for the Group to expand its microfinancing business by granting financing to the affected individuals and/or businesses. In view of the business opportunity, the Group has undertaken Private Placement to expand its microfinancing business.

In addition, the Group had also on 28 October 2021 acquired 49% equity interest in MMSB, a licensed money changer registered under BNM. Moving forward, the Group intends to launch a digital platform which offers travellers with an option to purchase foreign currencies and collect the same at selected physical outlets and kiosk machines or opt for delivery to designated address.

The governing bodies of Malaysia has pushed forward a multi-tier initiative to curb and tackle COVID-19 challenges, with positive results of becoming one of the highest vaccination rates in Southeast Asia. Malaysia's economy is set for a gradual recovery, with real Gross Domestic Product (GDP) growth at 3.10 percent in 2021 and projected to accelerate to about 5.75 percent in 2022, thanks to the authorities' impressive vaccine rollout and swift implementation of economic policy support measures. In tandem with the opening of all market sectors, GEM Live has taken the opportunity in 2021 to invest and enhance on its mobile applications, GemSpot and GemSpot Biz.

Management Discussion and Analysis

FUTURE OUTLOOK (CONTINUED)

Retaining its core business model of providing technology-driven solutions to the F&B, entertainment and lifestyle sectors, GemSpot and GemSpot Biz is slated to launch its beta version to the market in the second quarter of 2022. This relaunch will see activities across mixed media advertising, including creative and engaging initiatives to secure premium merchants and users with high spending power.

The direction of GemSpot beta will tackle the event industry, truly disrupting how the event sector has been operating – from venue selection to catering service and full-scale decorations. The Group strongly believes that by disrupting the event and everyday celebratory occasions, GemSpot and GemSpot Biz will leave a deep impact within the supply chain and purchasing behaviour of this industry.

In 2021, GemSpot activated monthly content marketing, which has seen results of over 400,000 impressions across its analytics (month-on-month). For the financial year of 2022, GemSpot will park more initiatives in content marketing – driving the attention of both merchants and users onto its platforms for business opportunities and purchasing. With healthy results on initiatives from the previous year, GemSpot is now looking into marketing initiatives that relies on big data from both the operations side and engagement aspect.

In GemSpot beta, pre-identified banners will be converted into ads space inventory, starting first with in-house (brand position), with expanded features for merchants to have sponsored placement on search listings, keywords, and on its landing banner to drive sales to their direct entities. GemSpot believes that this solution will provide merchants who are promoting certain items or products within their outlets to have the opportunity to reach a wider range of GemSpot active users.

Enhancing on how merchants are acquired in this field, campaigns will be directed towards premium entities that are seeking for a digital experience to their booking space. The new interface of GemSpot Biz will allow business operators to manage across multiple outlets, staff access and adjust, in real-time, the overall operations of their outlets. To market this, GemSpot Biz will offer comprehensive training of its new platform, along with a training manual and quick access to GemSpot's back-office support.

To purposefully be a disruptor and change the way users interact with digital services, GemSpot will be available to users across the App Store, Google Play and, for the first time ever, on web-based (mobile and desktop). The marketing initiatives rolling out for 2022 will include cross-platforms marketing, omni-channel media and on-ground activations across venues, suppliers and district-specific. Campaigns will be centralised within the Klang Valley, servicing up to 40 kilometers from entities' locations.

The Group is adopting a cautious approach while remaining flexible in executing our strategic plans in expanding our existing businesses and identifying new business/ventures opportunities to ensure adequate funding and sustainable profitability throughout this difficult time.

ACKNOWLEDGEMENT

On behalf of the Management, we would like to extend our appreciation to our Board of Directors for their guidance, as well as to all our stakeholders for their continuous support and their loyalty alongside us through thick and thin.

CORPORATE SUSTAINABILITY STATEMENT

NetX Holdings Berhad ("Company" or "NetX" or "Group") is committed in creating long-term sustainable values with a vision to develop and maintain a successful business for all stakeholders, including shareholders, employees and among others, our customers and suppliers. Besides ensuring the long-term viability of our businesses, our sustainability initiatives are also focusing on the workplace, marketplace, environment and community.

We recognize sustainability as one of our strategic pillars. Our sustainability performance has been considered as fundamental to our business success and sustainability is embedded in our day to day operations.

REPORTING SCOPE AND PERIOD OF THIS STATEMENT

This Statement is prepared in accordance with the Bursa Securities' Sustainability Reporting Guidelines (2nd Edition) which focus on economic, environmental and social opportunities and risks. This Statement covers NetX and its subsidiary companies which NetX has direct management control for the financial year ended 30 November 2021.

SUSTAINABILITY APPROACH

In order to ensure the Group's long-term viability and success, robust sustainable growth is vital to manage risks and opportunities in this competitive, challenging and evolving business environment. As such, the Group's primary objective is to operate its businesses in a cost-effective manner without jeopardizing its social and environmental responsibilities to all stakeholders. The identified diverse stakeholders of the Group are the Board of Directors, shareholders, customers, employees, merchants, contractors, regulatory and government authorities, and local communities. The mechanisms adopted in the sustainability strategy include code of business conduct and ethics, operational policies and processes, management systems and audit reviews.

The continuous rising numbers of Covid-19 infections following emergence of Omicron variant has affected the health and safety of the employees and local community. The Group has been supporting the initiatives implemented by Ministry of Health Malaysia in breaking the chain of the infections by urging its employees to strictly adhere to the Standard Operating Procedures ("SOP") issued by the Ministry in relation to close contacts sand confirmed infections, encouraging internal and external meetings and correspondences to be carried out remotely by web conferencing, emails and mobile messaging, providing of hand sanitisers and imposing strict SOP in accordance to Ministry of Health Malaysia's directives to safeguard their safety and well-being.

SUSTAINABILITY GOVERNANCE

The Board recognizing the importance of building a sustainable business, takes into consideration the environmental, social and governance impact while developing corporate strategies. The Board regularly reviews the strategic direction of the Group and the progress of the Group's operations, taking into account changes in the business and political environment as well as risk factors such as competitiveness.

The Board promotes good corporate governance in the adoption of sustainability practices throughout the Group, the benefits of which are believed to translate into greater corporate performance and achievements. Accordingly, the Group takes cognisance of the global environmental, social, governance and sustainability agenda.

The Group appreciates the value of a diversed and skilled employees and is committed in creating and maintaining an inclusive, collaborative and conducive workplace culture and environment that will provide sustainability for the Group in the future. The Group is committed to leveraging the diverse backgrounds in terms of gender, ethnicity and age, experiences and perspectives of our employees, to provide equally excellent customer service to diverse customer base. The Group's commitment in recognising the importance of diversity extends to all areas of our businesses including recruitment, skills, enhancement, appointment to roles, employees retention, succession planning and training and development.

SUSTAINABILITY GOVERNANCE (CONTINUED)

In order to continue creating business value and sustainable efficiency, the Group regularly engage with the key stakeholders to meet their expectations and address material issues impacting business growth. A summary of engagement approach adopted by the Group is as follows: -:

Stakeholders	Sustainability Topic	Types of Engagement Methods	Initiatives
Investors/ Shareholders	• Financial performance & transparency • Business sustainability	• Corporate website • Annual & quarterly reports • Corporate announcements • General Meetings	• Shareholders & investors engagement • Generate sustainable financial returns
Board of Directors	• Financial performance • Business sustainability • Corporate governance	• Quarterly Board meetings • Other ad hoc channels (e.g. email, web conferencing meetings)	• Business strategy management, risk assessment, sustainable business practices to improve financial performance • Compliance with regulatory guidelines & standard operating procedures
Employees	• Business direction & financial performance • Performance management & career development • Remuneration & benefits • Employment security & safety	• Annual performance appraisal • Monthly management meetings • Multiple channels (e.g. emails, meetings, training)	• Training & development • Performance oriented appraisal • Meetings / dialogue / townhall sessions for employees engagement
Merchants & Delivery Partners	• Product and service quality • Ethical & efficient management & collection system	• Merchant & delivery partner quality and service evaluation by customer • Multiple channels (email, phone call, training) • Site visit to merchants' premises	• Establish good long term relationship with merchant & delivery partner to maintain reliability throughout the value chain
Government and Regulatory Authorities	• Regulatory disclosures • Compliance with regulatory / government authorities' requirements	• Risk management and internal control • on-time periodic reporting • Participation in programmes organized by Government bodies	• Compliance with regulatory requirements • Annual Report
Customers	• Product and service innovation & quality • Customer satisfaction & loyalty • Effective resolution of complains & improvements • Safety, security & privacy	• Customer Feedback via multiple channels (e.g. emails, Gemspot platform, social media platforms)	• Food quality & delivery service excellence • Online/offline communication channels
Community	• Environment protection • Local community activities involvement	• Participating to the local communities' activities • Sponsorship and donations	• Maintain our promise towards corporate social responsibility and improve wellbeing of individuals from the charitable organisation

APPROACH TO SUSTAINABILITY

The following table provides the details of the identified material issues which were classified in below categories and our approaches towards maintaining sustainable business and generating long-term shareholder value:-

Stakeholders	Sustainability Topic	Types of Engagement Methods
Economic Performance	• To ensure sustainability in financial performance • Code of Ethics and Conduct • Innovation, Automation and Intellectual Property	• Introduced employee KPI performance measurement system for each division. • Continuous review of the Group's Code of Ethics and Conduct within the Employees' Handbook to instill ethics, integrity, accountability, transparency, and professionalism. • Continuous Innovation of our products and solutions utilising state of the art technology.
Environment	• Compliance with environmental laws and regulations • Conservation of Energy • Material consumption and management	• To comply with applicable environmental legislation, regulations and other requirements. • To reduce consumption of non-renewable and non-recycled materials. • To provide safe and hygienic workplace and ensure all personnel are properly trained with the appropriate safety procedures and control actions.
Social & Community Involvement	• Community Initiatives • Healthy Work-life Practices • Employee Development and Talent Management	• Discharging our social responsibility through giving back to society and local communities. • Encourages internal activities for employees to foster a pleasant work environment and maintain a driven workforce. Staff activities are organised throughout the year to facilitate bonding among the employees. • Employees will undergo an orientation programme to help familiarise them with the culture and background of the organisation. New employees will also go through on-the-job structured training programme that is tailored to their respective roles.

PROFILE OF DIRECTORS

TAN SIK EEK

Executive Director

Malaysian | 45 years old | Male

Mr Tan Sik Eek ("Mr Tan") is an Executive Director of NetX appointed on 21 April 2015. He majored in Economics and Political Science at the University of Sydney, Australia.

He has more than a decade of experiences ranging from corporate finance advisory to private equity investments. He was previously a partner in a private equity firm focused on investing in companies seeking growth funding and pre-IPO capital. Prior to that, he was specializing in securing funding from a series of established north America global opportunity fund, for companies listed on the regional capital markets.

Since 2013, he has been engaged as the Director of a number of public companies to provide management strategy, day to day operational oversight, fund raising and business development planning of the various companies.

He holds 40,000,000 shares in NetX. He is also a Director of DGB Asia Berhad, Fintec Global Berhad, Mlabs Systems Berhad and XOX Bhd. Save and except for Mr Tan is also the Managing Director of Fintec Global Berhad, a Major Shareholder of the Company, he has no relationship with any other Directors or Major Shareholder of the Company, no conflict of interest with the company and has not been convicted of any offences within the past five (5) years other than the traffic offence, if any.

CHU CHEE PENG

Independent Non-Executive Director

Malaysian | 51 years old | Male

Mr Chu Chee Peng ("Mr Chu") is an Independent Non-Executive Director of NetX appointed on 9 June 2015. Mr Chu graduated from the Coventry University in Business Administration and Post Graduate Diploma from Chartered Institute of Marketing, the United Kingdom.

Mr Chu was formerly the Vice President for Agensi Inovasi Malaysia ("AIM"), a statutory body set up by the Malaysian government, since 2012. Prior to joining AIM, he headed up the Properties Division at a public listed company in Malaysia.

He has extensive experiences in the investment sector, covering activities such as identification of new business opportunities, developing and executing investment strategies that significantly contribute to the company and Nation's income, development of new funding structure/ecosystem and creation of high value jobs. He is an entrepreneur with an inclination towards innovation and high technology commercial industries.

Mr Chu does not hold any shares in NetX. He is also an Independent Non-Executive Director of Fintec Global Berhad and Joe Holding Berhad (formerly known as GPA Holdings Berhad). He is the Chairman of the Audit and Risk Management Committee as well as the Nominating and Remuneration Committee of the Company. He does not have any family relationship with any Director or Major Shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences and has no conflict of interest with NetX.

Profile of Directors

YONG KET INN

Non-Independent Non-Executive Director

Malaysian | 65 years old | Male

Mr Yong Ket Inn ("Mr Yong") was appointed to the Board on 9 June 2015 as an Independent Non-Executive Director of NetX. On 26 January 2021, he was redesignated as Non-Independent Non-Executive Director of the Company. Mr Yong holds an honours degree in Bachelor of Science in Management and Administrative Studies from University of Aston in Birmingham, England.

Mr Yong is a fellow member of the Institute of Chartered Accountants in England and Wales and Malaysian Institute of Taxation, and a member of the Malaysian Institute of Accountants since 1987. He started his career at a Chartered Accountants firm in England in 1981 and has since accumulated over 30 years working experience in the field of accounting, auditing and taxation. During his career, he held the position of Head of Finance in various offshore engineering and shipbuilding companies, integrated steel mill and IT companies.

Mr Yong does not hold any shares in NetX. He is a member of the Audit and Risk Management Committee as well as the Nominating and Remuneration Committee of the Company. He is also an Independent Non-Executive Director of XOX Technology Berhad (formerly known as M3 Technologies (Asia) Berhad). He does not have any family relationship with any Director or Major Shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences and has no conflict of interest with NetX.

ONG SIEW MIN

Independent Non-Executive Director

Malaysian | 56 years old | Female

Ms Ong Siew Min ("Ms Ong") was appointed to the Board on 25 February 2022 as an Independent Non-Executive Director of NetX. She is a fellowship member of the Chartered Institute of Management Accountants, United Kingdom and a registered accountant with the Malaysian Institute of Accountants.

Ms Ong has more than 25 years of extensive experience ranging from the professional field of auditing, tax and consulting services for large corporations; moving on to the entertainment world of movies and television production, also TV and theatrical commercials.

She has valuable experience in activities such as mergers & acquisition, receivership and due diligence assessment of new business opportunities and corporate restructuring while serving her term in the professional field.

When she was the Chief Financial Officer of the Vision Entertainment Group, she has significantly contributed to the Group's overall performance in attaining its goals and objectives especially in its continuous effort for expansion and listing effort. Work collaboratively with all levels of management team of the Group to achieve common goals, while maintaining responsibilities and commitments to the shareholders and business affiliates/partners in Malaysia and across the Asia region. She is currently taking on the role as consultant on a freelance basis.

Ms Ong does not hold any shares in NetX. She is a member of the Audit and Risk Management Committee as well as the Nominating and Remuneration Committee of the Company. She does not hold any directorship in any other public listed company. She does not have any family relationship with any Director or Major Shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences and has no conflict of interest with NetX.

PROFILE OF KEY SENIOR MANAGEMENT

TAN SIK EEK

Executive Director

Malaysian | 45 years old | Male

The profile of **Mr Tan** is outlined in the Profile of the Board of Directors on page 15.

CHARISSA LIM ZHU AI

Chief Executive Officer of Gem Live Sdn Bhd

Malaysian | 35 years old | Female

Ms Charissa Lim is the Chief Executive Officer ("CEO") of Gem Live Sdn Bhd, a wholly owned subsidiary of NetX, appointed on 1 March 2018. She is a graduate from Curtin University of Technology, Australia. She holds a Bachelor of Commerce Degree with a double major in Accounting and Finance.

She started her career in Tax Services with Deloitte Touche Tohmatsu Malaysia in 2008 and subsequently joined the Market Research and Data Analytics industry with GFK Malaysia in 2011, spearheading the online e-Commerce panel initiative during the boom of the e-Commerce sector in Malaysia. She was then appointed Vice President of Business Development in NetX on 1 July 2015 in which she co-founded and currently sits as the CEO of subsidiary GEM Live Sdn Bhd, an exciting new lifestyle brand that fuses the latest innovations in technology set to elevate contemporary passions around premium dining concepts, experiential entertainment and the growing craze around novel lifestyle events.

She does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences and has no conflict of interest with NetX.

CHAN KEE WONG (JACKY)

Chief Operating Officer of Gem Pay Sdn Bhd

Malaysian | 30 years old | Male

Mr Chan Kee Wong ("Jacky") is the Chief Operating Officer of Gem Pay Sdn Bhd ("Gem Pay"), a subsidiary of NetX, appointed on December 2019. Prior to joining Gem Pay, Jacky held the position of Head of Operations cum Product Manager in GEM Live Sdn Bhd, another subsidiary of NetX. He holds a Bachelor of Science (BSC (Hons) Computing) from Segi College.

Jacky has an extensive experience in operations. He started his career in operations in a technology startup in Penang. He then relocated to the Klang Valley to join Fave Asia where his was leading one of the operations team in Fave Asia, in addition to project management that pioneered Fave Pay. Jacky was also part of the Fave Pay operations team. He was one of the pioneers in setting up the mobile payments scene in Klang Valley.

After he left Fave Asia, he joined Tamago Live, a live streaming company incubated by Astro Malaysia Holdings Bhd as the Country Manager of Malaysia. He oversaw operations, P&L management, partnerships & offline marketing initiatives of the company. During his time in Tamago Live, he managed to 10 fold company revenue within 6 months upon launching the product. After Jacky left Tamago Live, he then joined GEM Live Sdn Bhd, a subsidiary of NetX as Head of Operations cum Product Manager where he managed the operations team & oversaw product in the company, before he being appointed as Chief Operating Officer of Gem Pay Sdn Bhd.

He does not hold any shares in NetX. He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences and has no conflict of interest with NetX.

Profile of Key Senior Management

TEOH KHAI CHIEN (ALEX TEOH)

General Manager of Emicro Capital (M) Sdn Bhd Group

Malaysian | 32 years old | Male

Mr Alex Teoh is the General Manager of Emicro Capital (M) Sdn Bhd, an 60% owned subsidiary of NetX, appointed on 1 January 2021. He is a graduate from Universiti Utara Malaysia (UUM), Malaysia in Bachelor of Business Mathematics Degree.

He is the co-founder of Emicro, a digital lending platform which launched in 2018 by offering short-term fund for urgent and unexpected financial needs in a quick and convenient manner that combines with technology to provide customers with better credit possibilities.

He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences and has no conflict of interest with NetX.

FOO JEE HAI

Chief Executive Officer of Emicro Capital (M) Sdn Bhd Group

Malaysian | 49 years old | Male

Mr Foo is the Chief Executive Officer of Emicro Capital (M) Sdn Bhd, an 60% owned subsidiary of NetX, appointed on 1 January 2021. In 1987 he founded his first company, Jefferson Fashion Design, a well known tailor shop in Penang and convert to Jefferson Retail Shop on 2003 which have total 14 outlets in Malaysia, until he sold the Jefferson group to his brother in year 2011. Since then, he has actively invested in a number of ventures across Malaysia and he has extensive experiences in the business management and development such as identification of new business opportunities.

He co-found Emicro in 2018, a digital lending platform that made to offer a convenient way to apply for loans quickly. Which user will be able to access financial services where it's easier, faster and transparent than traditional financial channels.

He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences and has no conflict of interest with NetX.

SHAIK ABDUL KADIR BIN SAHUL HAMEED

Compliance Manager of e-FX Sdn Bhd

Malaysian | 37 years old | Male

Shaik Abdul Kadir Bin Sahul Hameed ("Mr Shaik") is the Compliance Manager of e-FX Sdn Bhd, a wholly owned subsidiary of NetX, appointed on 4 January 2021. He had completed Masters in Business Admin (MBA) from International American University.

Mr. Shaik brings 6 years of experience in Money Service Business (MSB) industry and he is also a certified Trainer for MSB industry, and had trained more than 200 compliance officers throughout Malaysia. He has worked with authority and Malaysian Association of Money Service Business (MAMSB) in developing and implementing Anti Money Laundering and Counter Financing Terrorism (AMLCFT) governance in MSB industry.

Prior to that, Mr Shaik was in Banking Industry for 7 years and has exposed in various area such as Financial Consultant and branch operation. While he was working in banking industry, he held few mandatory licenses that one should owned to comply such as Certify Examination in Investment-linked life insurance (CEILI), Takaful Basic Examination (TBE) and also Federation of Investment Managers Malaysia (FIMM).

He does not have any family relationship with any Director or major shareholder of the Company and has not been convicted of any offences within the past 5 years other than traffic offences and has no conflict of interest with NetX.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of NetX Holdings Berhad ("Company" or "NetX" or "Group") is pleased to present the report of the Audit and Risk Management Committee for the financial year ended 30 November 2021.

COMPOSITION AND MEETING ATTENDANCES

The current composition of the Audit and Risk Management Committee ("ARMC" or "Committee") of the Company comprises of two (2) Independent Non-Executive Directors and (1) Non-Independent Non-Executive Director, which is in line with Rule 15.09 (1) (a) and (b) of the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The ARMC held five (5) meetings during the financial year ended 30 November 2021. The composition and the attendance by each member at the ARMC Meeting during the financial year are as follows:

Member	Designation	Directorship	Attendance
Chu Chee Peng	Chairman	Independent Non-Executive Director	5/5
YM Tengku Ahmad Badli Shah Bin Raja Hussin *(Resigned as member on 14 January 2022)*	Member	Chairman / Senior Independent Non-Executive Director	5/5
Yong Ket Inn	Member	Non-Independent Non-Executive Director	5/5
Ong Siew Min *(Appointed as member on 25 February 2022)*	Member	Independent Non-Executive Director	N/A

Mr Yong Ket Inn, is a fellow member of the Institute of Chartered Accountants in England and Wales and Malaysian Institute of Taxation and also a member of the Malaysian Institute of Accountants since 1987. In addition, Ms Ong Siew Min is also a fellowship member of the Chartered Institute of Management Accountants, United Kingdom and a registered accountant with the Malaysian Institute of Accountants. Accordingly, the Company is in compliance with Rule 15.09 (1)(c) of the Listing Requirements.

Collectively, the members of the ARMC have the relevant experience and expertise in finance and accounting, and have carried out their duties in accordance with the Terms of Reference of the ARMC. The qualification and experience of the individual ARMC members are disclosed in the Profile of Directors on pages 15 to 16 of this Annual Report. During the financial year ended 30 November 2021, all the members of the ARMC had undertaken the relevant training programmes to keep themselves abreast of the latest development in accounting and auditing standards, statutory laws, regulations and best practices to enable them to discharge their duties effectively.

The Terms of Reference of the ARMC which laid down its duties and responsibilities is accessible via the Company's website at www.netx.com.my.

NetX recognised the need to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. Currently, none of the members of the Board nor the ARMC of the Company was former key audit partners of the external auditors appointed by the Group. As recommended by Malaysian Code on Corporate Governance ("MCCG"), the Company will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the Audit Committee was a key audit partner of the external auditors of the Group.

The performance of the ARMC and its members and their term of office are reviewed annually by the Nominating and Remuneration Committee ("NRC") via a performance evaluation process, where the contribution of each member and their independence are assessed. The NRC will then recommend to the Board on whether there is a need to change the composition of the ARMC based on the assessment conducted.

Audit and Risk Management Committee Report

SUMMARY OF WORK OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Committee had carried out the following work during the financial year ended 30 November 2021 in discharging their duties and responsibilities:

1) Financial Reporting

(a) Reviewed the quarterly financial statements as listed below, including the draft announcements pertaining thereto and made recommendations to the Board of Directors for approval of the same:

Date of Meetings	Review of Quarterly Financial Statements
26 January 2021	The unaudited quarterly results for the quarter ended 30 November 2020
27 May 2021	First quarter results for quarter ended 28 February 2021
17 August 2021	Second quarter results for quarter ended 31 May 2021
26 October 2021	Third quarter results for quarter ended 31 August 2021

The ARMC reviewed and ensured that the Group's quarterly financial reporting and disclosures present a true and fair view of the Group's financial position and performance and are in compliance with the Malaysian Financial Reporting Standard ("MFRS") 134 - Interim Financial Reporting Standards in Malaysia and International Accounting Standards ("IAS") 34 - Interim Financial Reporting as well as applicable disclosure provisions of the Listing Requirements.

(b) Reviewed and made recommendations to the Board in respect of the audited financial statements of the Company and the Group for the financial year ended 30 November 2020 at its meeting held on 24 March 2021, and to ensure that it presented a true and fair view of the Company's financial position and performance for the year and compliance with regulatory requirements.

The ARMC considered and reviewed the integrity of information in the financial statements and quarterly reports, focus particularly on any changes in accounting policies and practices, significant adjustments resulting from the audit, significant judgements made by management, significant and unusual events or transactions, going concern assumption, completeness of disclosures and compliance with accounting standards.

2) External Audit

(a) Reviewed and discussed with External Auditor, Messrs SBY Partners PLT ("SBY") and made recommendations to the Board, the Audit Review Memorandum for the financial year ended 30 November 2020 at its meeting held on 26 January 2021. The Audit Review Memorandum outlined the audit status, significant audit and accounting issues and material weaknesses in internal control, in relation to the audit for the financial year ended 30 November 2020.

(b) Discussed with External Auditors, SBY on the Audited Financial Statements and Audit Closure Memorandum for the financial year ended 30 November 2020 and, had a private session with SBY without the presence of the management at its meeting held on 24 March 2021. The Audit Closure Memorandum outlined the audit opinion, Key Audit matters and Unadjusted Audit Differences in relation to the audit for the financial year ended 30 November 2020.

(c) Evaluated the performance of the External Auditors for the financial year ended 30 November 2020 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence. The ARMC satisfied with the independence, suitability and performance of SBY, had recommended to the Board for approval, the re-appointment of SBY as External Auditors for the financial year ended 30 November 2021 at its meeting held on 24 March 2021.

(d) Reviewed with External Auditors, SBY at the meeting held on 26 October 2021, their audit plan for the financial year ended 30 November 2021, outlining the audit approach and timetable, audit materiality and multi-location scoping, areas of audit emphasis, and audit engagement team. The External Auditors also updated the ARMC with new Malaysian Financial Reporting Standards and listing requirements in relation to the financial reporting as well as the new Malaysian Approved Standards on Auditing.

SUMMARY OF WORK OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (CONTINUED)

3) Internal Audit

(a) Reviewed Internal Audit reports on the following areas:

i) Loan Operations Management and Application Maintenance Management of eMicro Services Sdn Bhd; and

ii) Sales and Marketing Management of GEM Pay Sdn Bhd.

(b) The ARMC reviewed the audit findings and recommendations to improve any weaknesses or non-compliance, and the respective Management's responses thereto. The Internal Auditors monitored the implementation of Management's action plan on outstanding issues through follow up reports to ensure that all key risks and control weaknesses are being properly addressed.

4) Related Party Transactions

Reviewed and considered transactions with Related Parties to ensure that such transactions are undertaken on an arm's length basis, on normal commercial terms consistent with the Group's business practices and policies, not prejudicial to the interests of the Group and its minority shareholders and on terms which are generally no more favourable to the related parties (pursuant to Chapter 10 of the Listing Requirements).

The listing of related party transactions was presented for the ARMC's review on quarterly basis at its meetings held during the financial year, together with the quarterly financial statements of the Group.

5) Other activities

(a) Reviewed and recommended to the Board for approval, the Group's budget for year 2021 on 26 January 2021.

(b) Reviewed and recommended to the Board for approval, the Overview Statement on Corporate Governance, ARMC Report and Statement on Risk Management and Internal Control for inclusion in the 2020 Annual Report on 24 March 2021.

(c) Reviewed and verified the allocation of Share Issuance Scheme Options to the Directors and eligible employees at its meeting held on 24 March 2021.

(d) Reviewed the terms of reference of the ARMC at its meeting held on 24 March 2021.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional consulting firm, Wensen Consulting Asia (M) Sdn Bhd ("Wensen") to provide the ARMC with an independent assessment on the adequacy and effectiveness of the Group's risk management and internal control system.

The outsourced IA function is headed by the Managing Director, Mr. Edward Yap, a member of Malaysian Institute of Accountants (MIA), member of Institute of Singapore Chartered Accountants (ISCA), Fellow Member of the Association of Certified Chartered Accountants (FCCA) and Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA). The audit team (including junior executive/ fresh graduates) possess at least a degree (BSc Hons) in Accounting and Finance from local or overseas universities, while some possess professional qualification certificates (i.e. ACCA).

The outsourced internal audit firm appointed by the Company are free from any relationships or conflict of interest which could impair their objectivity and independence.

The outsourced internal auditors report functionally to the ARMC and administratively to the Board, and accomplish its objectives by adopting a systematic and disciplined approach to evaluate and continuously improve the effectiveness of risk management, control and governance process of the Group. The Internal Auditors carry out its function in accordance to the Internal Audit Standards set forth in the International Professional Practises Framework issued by the Institute of Internal Auditors and other nationally and internationally recognised framework.

INTERNAL AUDIT FUNCTION (CONTINUED)

The internal audit was carried out based on audit plan approved by the ARMC. The audit plan took into consideration the Corporate and Divisional Risk Profiles and input from the senior management and the ARMC members. The ARMC works with the Internal Auditors to ensure that the internal audit plan encompasses the audit of significant operating units in the Group and the follow-up audits.

The results of the audits in the Internal Audit reports were reviewed by the ARMC. The Internal Auditors provides independent and objective reports on the state of internal controls system, with recommendations for improvement, so that remedial actions can be taken in relation to weaknesses noted in the systems. The relevant Management members are made responsible for ensuring that corrective actions on reported weaknesses are taken within the required timeframes. Internal Auditors will conduct follow-up audits to ensure that the corrective actions are implemented appropriately. In this respect, the Internal Auditors have added value by enhancing the governance, risk management and control processes within the Group.

During the financial year, the following activities were carried out by the Internal Auditors in discharge of its responsibilities:

i) Reviewed the adequacy and effectiveness of the systems of internal control and compliance with the Group's policies and procedures;

ii) Proposed and presented the internal audit plan for the ARMC's approval and ensured that appropriate actions were taken to carry out the audits based on the approved plan; and

iii) Reported to the ARMC the results of the internal audit reports and its findings and the implementation of the management responses to the findings.

The total cost incurred for the internal audit function for the financial year ended 30 November 2021 amounted to RM10,000.

Based on the internal audit review conducted by the Internal Auditors, the ARMC and the Board is of the view that there is no significant breakdown or weaknesses in the systems of internal controls of the Group that may result in material losses incurred by the Group for the financial year ended 30 November 2021.

The ARMC and the Board further agreed that the internal audit review was done in accordance with the audit plan and the coverage is adequate.

The ARMC and Board are satisfied with the performance of the Internal Auditors and have in the interest of greater independence and continuity in the internal audit function, taken the decision to continue with the outsourcing of the Internal Audit function.

OVERVIEW STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("Board") of NetX Holdings Berhad ("Company" or "NetX" or "Group") recognizes the importance of adopting high standards of corporate governance in its efforts to safeguard stakeholders' interest as well as enhancing shareholders' value. The Group is moving towards ensuring full compliance with principles, recommendations and best practices of the Malaysian Code on Corporate Governance ("MCCG ") issued by the Securities Commission.

The Board is pleased to report herein a brief overview on the application of principles of MCCG during the financial year except where otherwise stated. This statement is to be read together with the Corporate Governance Report 2021 ("CG Report") of the Company which is available on the Company's website at www.netx.com.my.

(A) BOARD LEADERSHIP AND EFFECTIVENESS

Composition of the Board
The Board currently consists of four (4) Directors:

Tan Sik Eek	*(Executive Director)*
Yong Ket Inn	*(Non-Independent Non-Executive Director)*
Chu Chee Peng	*(Independent Non-Executive Director)*
Ong Siew Min	*(Independent Non-Executive Director)*

The present size and composition of the Board is optimum and well balanced. As presently constituted, the Board has the stability, continuity and commitment as well as capacity to discharge its responsibilities effectively.

Profile of the Board members is presented in the Profile of Directors in this Annual Report.

1. BOARD RESPONSIBILITIES

1.1 Functions of the Board and Management

The Board plans the strategic direction, development and control of the Group and has embraced the responsibilities listed in the Board Charter to discharge its stewardship and fiduciary responsibilities. The key matters reserved for approval by the Board are the quarterly financial results, audited financial statements, annual budget, significant expenditures, significant acquisitions and disposals, appointment of Directors/ Board Committee members, related party transactions and other relevant matters affecting the Group's business.

Generally, the Executive Directors are responsible for making and implementing operational and corporate decisions while the Non-Executive Directors balance the Board accountability by providing their independent views, advice and judgement in safeguarding the interests of the shareholders. Non-Executive Directors play a key supporting role, contributing their skills, expertise and knowledge towards the formulation of the Group's strategic and corporate objectives, policies and decisions.

The Chairman is responsible for the Board's effectiveness and conduct whilst the Executive Directors has the overall responsibilities over the Group's operating units, organizational effectiveness and implementation of Board's policies and decisions. The Executive Directors are the decision maker and involved in leadership role overseeing the day to day operations and management and are accountable for the conduct and performance of the Group's businesses.

The Board has set the management authority limit and retained its authority of approval on significant matters.

1.2 Roles and Responsibilities of the Board

The Board is ultimately responsible for the stewardship of the Group's strategic direction and development.

The major responsibilities of the Board as outlined in the Board Charter include amongst others, as follows:

i. Adopting and reviewing the strategic plan for the Group

The Board set the Group's strategy, performance target and long term goals of the business and ensure that resources are available to meet its objective. The Board reviewed the strategic plan of the Group and its businesses tabled by management at its meeting.

(A) BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. BOARD RESPONSIBILITIES (CONTINUED)

1.2 Roles and Responsibilities of the Board (Continued)

ii. Overseeing the conduct of the Group's business to evaluate whether the business is being properly managed and sustained

During the financial year ended 30 November 2021, the Board of Directors' meetings are chaired by the Chairman who is also the Senior Independent Non-Executive Director of the Company. The day to day management is controlled by the Executive Director and a management team in managing the Group's business. The Board's role is to overseas the performance of management to determine whether the business is properly managed. The Board gets updates from Management at the Board meeting when reviewing the unaudited quarterly results and annual audited financial statements. During such meetings, the Board participated actively in the discussion of the performance of the Group.

iii. Identify principal risks and ensuring the implementation of appropriate internal control systems to manage these risks

The Board is assisted by the management in the implementation of the Board's policies and procedures on risk management by identifying and assessing the risks faced, and in the design, operation and monitoring suitable internal control to mitigate and control these risks.

Further details on the Enterprise Risk Management Framework are presented in the Statement of Risk Management and Internal Control of this Annual Report.

iv. Review the adequacy and integrity of the Group's management information and internal control systems of Group

The internal audit function is outsourced to a professional service firm, assists the Board and the Audit and Risk Management Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Company's internal control system.

The effectiveness of the management information and system of internal controls is reviewed by the Audit and Risk Management Committee periodically during its quarterly meetings, based on recommendation by the outsourced internal auditor. Details of the Group's internal control system are presented in the Statement of Risk Management and Internal Control of this Annual Report.

v. Overseeing the development and implementation of shareholder communication policy for the Group

The Board has implemented shareholder communication policy, which available at the Company's website to ensure effective communication with its shareholders. The Company's website at www.netx.com.my also contains an Investor Relations section and contact email address where the shareholders could communicate with the Board.

vi. Succession planning

The Board views succession planning as important for business continuity. It is acknowledged that with succession planning, the key job vacancies created due to retirement and resignation would be filled quickly and without any business interruption.

The Board has also formed different Board Committees, comprising mainly the Independent Non-Executive Directors, to support and provide independent oversight of management and to ensure that there are appropriate checks and balances in place. Currently, the various Board Committees are the Audit and Risk Management Committee and Nominating and Remuneration Committee. Each of the Board Committee operates within its respective terms of reference that clearly define its respective functions and authorities.

(A) BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. BOARD RESPONSIBILITIES (CONTINUED)

1.3 Promoting Good Business Conduct and Corporate Structure

i. Code of Conduct and Ethics

The Group has put in place a Code of Conduct for the Directors and employees that set the guidelines for their conduct. The ethical standards required all Directors and Employees to observe high ethical business standards, honesty and integrity and to apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders.

The Director's Code of Conduct are available at the Company's website at www.netx.com.my, while the employee's code of conduct is set out in the Employee Handbook.

ii. Whistleblowing Policy

The Group has also put in place its Whistleblowing Policy and procedures by which an employee or stakeholder to raise concerns or disclose in good faith any unethical behaviour, malpractice, non-compliance and unethical business conduct and to enable prompt corrective actions and measures to resolve them effectively.

Any employee who has reasonable belief that there is serious malpractise relating to the matter disclosed, may direct such complaint and report to the Audit and Risk Management Committee in writing. The identity of the whistleblower will be kept confidential and protection is accorded against being disadvantaged in any way such as victimization, retribution and harassment.

The Whistleblowing Policy are available at the Company's website at www.netx.com.my.

iii. Anti-Bribery and Anti-Corruption Policy ("ABAC Policy")

In line with the amendments to the Malaysian Anti-Corruption Commission Act 2009 to incorporate a new Section 17A on corporate liability for corruption which took effect on 1 June 2020, the Group had on 22 May 2020 adopted the ABAC Policy.

The Company had also conducted briefings and trainings to all employees of the Group to create awareness on the ABAC Policy to foster commitment of the employees in instill the spirit of integrity and avoid all forms of corruption practices within the organization.

The ABAC Policy are available at the Company's website at www.netx.com.my. The ABAC Policy has also been incorporated in the Employee Handbook.

1.4 Sustainability

The Board ensures that the Company's strategies promote sustainability with attention given particularly to environmental, social and governance ("ESG") aspects of business which underpin sustainability. The Board understands that balancing ESG aspects with the interests of various stakeholders is essential to enhancing investor perception and public trust. The Company strives to achieve a sustainable long-term balance between meeting its business goals and compliance to relevant environmental and related legislation as well as ensuring a safe and healthy working environment.

The Corporate Social Responsibility Policy can be found at the Company's website at www.netx.com.my. The details of the sustainability effort are presented in the Corporate Sustainability Statement of this Annual Report.

Overview Statement on Corporate Governance

(A) BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. BOARD RESPONSIBILITIES (CONTINUED)

1.5 Board Charter

The Company has established a Board Charter which sets out the Board's functions and responsibilities, including division of responsibilities between the Board, the different Board Committees, the Chairman and the Executive Directors. A set of Directors' Code of Conduct has also been formalized which including the key values, mission, principles and ethos of the Company.

The Board Charter serve as a reference and primary induction literature, providing Board members and management insights into the function of NetX Board. The Board reserved matters covering areas such as strategy and business planning, finance and controls, people, compliance, support and assurance are entrenched in the Board Charter.

Both Board Charter and Directors' Code of Conduct are also available on the Company's website at www.netx.com.my. The Board Charter is subject to review from time to time and in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

1.6 Board Meetings and Access to Information and Advice

The Board meets regularly on a quarterly basis with additional meetings being convened as necessary. The Board on an annual basis would agree on the meeting dates for the whole year so that each member of the Board is able to plan his schedule accordingly. During the year, the Board met on five (5) occasions where it deliberated upon and considered a variety of matters mainly to review the Group's operations and the quarterly and annual financial statements.

The details of the attendance by individual Director during the financial year are as follows:

Name of Director	Total Meetings Attended
YM Tengku Ahmad Badli Shah Bin Raja Hussin *(Resigned on 14 January 2022)*	5/5
Tan Sik Eek	5/5
Yong Ket Inn	5/5
Chu Chee Peng	5/5
Ong Siew Min *(Appointed on 25 February 2022)*	N/A

The Board has unrestricted access to all information within the Company, whether as a full Board or in their individual capacity, in a timely manner in order for the Board to discharge its responsibilities. The Director may seek independent legal, financial or other advice as they consider necessary at the expense of the Company as a full Board or in their individual capacity, in the furtherance of their duties.

The agenda for the Board meetings, together with appropriate reports and information on the Group's business operations, and proposal papers for the Board's consideration are circulated to all the Directors prior to the meetings, in sufficient time so that all Directors are given time to prepare, evaluate, obtain additional information or clarification prior to the meeting.

The proceedings and resolutions reached at each Board meeting are documented in the minutes and signed by the Chairman. Besides Board meetings, the Board also exercises control on matters that require the Board's approval through circulation of Directors' Resolutions.

The Board has access to the advice and services of the Company Secretary who is suitably qualified and competent to support the Board. The Company Secretary is responsible for providing support and guidance to the Board on policies and procedures, rules and regulations and relevant laws in regard to the Company as well as the best practices on governance.

Overview Statement on Corporate Governance

(A) BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. BOARD RESPONSIBILITIES (CONTINUED)

1.6 Board Meetings and Access to Information and Advice (Continued)

The Company Secretary provides support to the Chairman to ensure the effective functioning of the Board and also organizes and attends all Board meetings and Board Committees meetings, ensuring that an accurate and proper record of deliberation of issues discussed, decisions and conclusions are taken.

The Company Secretary records, prepares and circulate the minutes of the meetings of the Board and Board Committees and ensure that the minutes are properly kept at the registered office of the Company and produced for inspection, if required. In addition, the Company Secretary also updates the Board regularly on amendments to the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), practices and guidance notes, circulars from Bursa Securities, legal and regulatory developments and impact, if any, to the Group.

2. BOARD COMPOSITION

The Board currently consists of four (4) members, comprising of two (2) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and one (1) Executive Director.

The Board members with their diverse academic qualifications, background and experience enable the Board to provide clear and effective leadership to the Group as well as sharing experiences and ideas and make independent judgement to many aspects of the Group's strategy and performance so as to ensure that the highest standards of professionalism, conduct, transparency and integrity are maintained by the Group.

The Company has established two (2) Board Committees ("Committees") to assist in the performance of certain duties of the Board. The Board delegates specific responsibilities to the respective Committees, namely the Audit and Risk Management Committee and the Nominating and Remuneration Committee, each of which has clearly defined terms of reference and its own functions, delegated roles, duties and responsibilities. The Board reviews the functions and terms of reference of Committees from time to time to ensure that they are relevant and updated with other related policies or regulatory requirements.

2.1 Board Independence

The current Board composition complies with Rule 15.02 of the Listing Requirements of at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors as well as the MCCG's recommendation of at least half of the Board members are Independent Directors.

The two (2) Independent Directors are responsible for bringing independent judgement as well as providing scrutiny to the Board's decision making and challenges to the management. They play an important role in corporate accountability and this is reflected by their membership and attendances at the various Board Committees of the Company.

None of the Independent Directors participate in the daily management of the Group to ensure that they are free from any relationship which could interfere with the exercise of independent judgement in the best interests of the Company and the shareholders.

2.2 Separation of positions of the Chairman and Chief Executive Officer ("CEO")

The Group has not appointed a Group CEO. Nonetheless, during the financial year ended 30 November 2021, the positions of Chairman and Executive Director are held by different individuals. The Chairman is an Independent Non-Executive Director and not related to the Executive Director.

There is clear division of responsibilities between the Chairman and the Executive Director. The Chairman plays a pivotal role in ensuring that the Directors are effectively apprised on the business and operations of the Group through regular meetings and to ensure that decisions are arrived at after taking into consideration the interests of all stakeholders. The Executive Director is responsible for the day-to-day management of the Group's business, which includes implementing the policies and decisions of the Board. The Executive Director reports to the Chairman with respect to matters concerning the Board members and is obliged to report and discuss at Board meetings all material matters affecting the Group.

The separation of powers, combined with the presence of the Independent Directors, ensures a balance of power and authority and provides a safeguard against the exercise of unfettered power in decision-making.

Overview Statement on Corporate Governance

(A) BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. BOARD COMPOSITION (CONTINUED)

2.3 Audit and Risk Management Committees ("ARMC")

The composition of the ARMC comprises of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

The terms of reference and key functions of ARMC are available on the Company's website at www.netx.com.my. A summary of works of the ARMC during the financial year are presented separately in the Audit and Risk Management Committee Report in this Annual Report.

2.4 Nominating and Remuneration Committees ("NRC")

The composition of NRC comprises of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

Under its terms and reference, the functions of the NRC are as follows:

- assess the suitability of candidates in terms of the competencies, commitment, contribution and performance;
- recommend to the Board the nomination of a person or persons to be a Board member(s) by shareholder(s) or Director(s);
- recommend to the Board, Directors to fill the seats on Board Committees;
- assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of each existing individual director and thereafter, recommend its findings to the Board;
- review the required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the Board and thereafter, recommend its findings to the Board;
- review the Board's succession plans and training programs;
- facilitate Board induction and training programmes;
- review on annual basis the term of office of each of the ARMC members and performance of the ARMC and each of its members;
- recommend to the Board, the remuneration packages of Executive Directors of the Company in all its forms, drawing from outside advice as necessary; and
- recommend to the Board, the Directors' fees and other benefits payable to the Directors for shareholders' approval.

The terms of reference of NRC are available on the Company's website at www.netx.com.my.

The NRC met once during the financial year ended 30 November 2021. The summary of the activities of the NRC during the financial year are as follows:

- Reviewed the mix of skill and experience and other qualities of the Board.
- Assessed the effectiveness of the Board as a whole, the Board Committees and contribution of each individual Directors.
- Discussed and recommended the Directors' retirement by rotation.
- Assessed the performance of the ARMC, and its members and their term of office.
- Reviewed the remuneration package of Executive Director.
- Recommended to the Board for approval the Directors' fees and other benefits payable to the Directors for shareholders' approval.
- Reviewed the terms of reference of the NRC.
- Reviewed and recommended the restructuring on the board composition of the subsidiary companies and Directors' fees payable to the directors of the subsidiary companies.
- Reviewed and recommended the payment of bonus to the Executive Director.
- Reviewed and recommended the payment of ex-gratia Directors' fees to the Non-Executive Directors of the Company.

(A) BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. BOARD COMPOSITION (CONTINUED)

2.5 Appointment and Re-election of Directors

The NRC has been entrusted with the responsibility to identify and review candidates for appointment to the Board. The Board has established a nomination process of Board members to facilitate and provide a guide for the NRC to identify, evaluate, select and recommend to the Board the candidate to be appointed as a Director of the Company. The NRC is responsible to identify and recommend candidate to fill vacancy arises from resignation, retirement or if there is a need to appoint additional Director with the required skill or profession to the Board in order to close the competency gap in the Board.

Upon receiving a nomination for new Director, the review process entails the assessment of the candidates' background, experience, knowledge and skills critical to the Group's business. Other criteria such as integrity, wisdom, independence of the candidates, existing commitments, potential risk and/or conflict of interest are also considered in the assessment of suitability of candidates for appointment to the Board.

Upon the evaluation of the candidates, the NRC shall report to the Board of its findings and recommendations. The Board would base on the recommendations of the NRC to proceed to approve or decline the appointment of the candidates as the new Director of the Company.

The procedure for re-election of Directors who retire by rotation is set out in the Company's Constitution. At each annual general meeting of the Company, one-third (1/3) of the Directors for the time being or if their number is not three (3) or a multiple of the three (3), then the number nearest to one-third (1/3), shall retire from office provided always that all Directors shall retire from office once at least in every three (3) years but shall be eligible for re-election.

The Director who is subject to re-election and/or re-appointment at next Annual General Meeting is assessed by the NRC before recommendation is made to the Board and shareholders for the re-election and/or re-appointment. Appropriate assessment and recommendation by the NRC are based on the yearly assessment conducted.

2.6 Annual Assessment

The NRC reviews annually, the effectiveness of the Board and Board Committees as well as the performance of individual Directors.

The NRC carry out evaluation of Board effectiveness in the areas of composition, roles and responsibilities, and whether the respective Board Committees effectively discharged their functions and duties in accordance with their terms of reference. The evaluation process involved self-review assessment, where Directors will assess their own performance.

Based on the assessment conducted for the financial year 2021, the Board and the NRC are satisfied with the current size, composition as well as the mix of qualifications, skills and experience among the Board and Board Committees members. The assessment and evaluation are properly documented.

2.7 Assessment on Independence of Directors

The Board conducts assessment on the independence of the Independent Directors on yearly basis. During the financial year, the Board obtained confirmation of independence from the Independent Directors and none of the Independent Directors disclosed any relationships that could materially interfere with or be perceived to materially interfere with their independent judgement and ability to act in the best interests of NetX. The Board is satisfied that the Independent Directors are independent as they fulfilled the required criteria stipulated in the Listing Requirements.

Overview Statement on Corporate Governance

(A) BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. BOARD COMPOSITION (CONTINUED)

2.8 Tenure of Independent Directors

Currently, the Board does not have a formal policy on the tenure for Independent Directors as the Board is of the view that a term of more than nine (9) years may not necessarily impair the independence and judgement of an Independent Director and therefore the Board does not deem it appropriate to impose a fixed term limit for Independent Directors at this juncture.

However, as recommended by the MCCG, the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the re-designation of the said person as a Non-Independent Director. In the event the Board intends to retain such Director as Independent Director after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek annual shareholders' approval through a two-tier voting process.

At present, the Board does not have any Independent Directors who have served the Board exceeding the tenure of nine (9) years.

2.9 Directors' Training

As at 30 November 2021, all the Directors have completed the Mandatory Accreditation Programme prescribed by Bursa Securities. The Directors are encouraged to attend continues education programs, conferences, seminars or forums to keep abreast with the latest developments in the marketplace as well as to further enhance their business acumen and professionalism in discharging their duties to the Group. In addition, Directors would be updated on recent developments in the areas of statutory and regulatory requirements from the briefing by the External Auditors, the Internal Auditors and Company Secretary during the Committees and Board meetings.

The Directors individually will determine their training needs on a continuous basis. The Board ensures that its members have access to appropriate continuing education programs.

The seminars, conferences and training programs attended by the Directors during the financial year ended 30 November 2021 are as follows:

Name of Director	Seminars / Conference / Forum Attended
YM Tengku Ahmad Badli Shah Bin Raja Hussin *(Resigned on 14 January 2022)*	• Briefing on Directors and Officers Liability Insurance • Introduction to Anti-Money Laundering, Anti-Terrorism Financing, Proceed of Unlawful Activity Act 2001 • Webinar on Transfer Pricing
Tan Sik Eek	• Introduction to Anti-Money Laundering, Anti-Terrorism Financing, Proceed of Unlawful Activity Act 2001 • Updated Malaysian Code on Corporate Governance 2021 • Webinar on Transfer Pricing • Advocacy Session for ACE Market Listed Corporation
Yong Ket Inn	• Introduction to Anti-Money Laundering, Anti-Terrorism Financing, Proceed of Unlawful Activity Act 2001 • Corporate Directors Training Programme Fundamental 3.0 + Financial Statements 101 • Webinar on Transfer Pricing
Chu Chee Peng	• Introduction to Anti-Money Laundering, Anti-Terrorism Financing, Proceed of Unlawful Activity Act 2001 • Archidex Fast Forward: Siren of the Old and Sustenance of the Present • Webinar on Transfer Pricing

(A) BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. BOARD COMPOSITION (CONTINUED)

2.10 Diversity Policy

The Board recognizes the merits of Board Diversity in adding value to collective skills, perspective and strengths to the Board. As such, the Board had adopted the Board Diversity Policy which sets out the Company's approach to diversity on the Board of NetX. The Board endeavors to have diversity of the Board and its workforce in terms of gender, experience, qualification, ethnicity and age. The NRC is responsible in ensuring that diversity objective is adopted in Board recruitment, Board performance evaluation and succession planning processes whereas diversity in workforce shall be decided by the management.

The Board also recognizes that gender diversity is of importance to the boardroom and will continue to encourage and propose women candidates subject to identification of suitable candidates with appropriate skills.

Currently, our Board comprises one (1) female Director, representing 25% of total numbers of the Board. In line with the MCCG of at least 30% representation of women on Boards, the Board will evaluate and match the criteria of the potential candidate as well as considering the appointment of additional female directors onto the Board in the future to bring about a more diverse perspective.

3. REMUNERATION

3.1 Directors' Remuneration

The Board has established a Remuneration Policy to facilitate the NRC to review, consider and recommend to the Board for decision on the Directors' remuneration. The Board believes in a Remuneration Policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long term goals and enhance shareholders' value. The Board's objective is to offer a competitive remuneration package in order to attract, develop and retained talented individuals to serve as Directors. A copy of the Remuneration Policy is available on the Company's website at www.netx.com.my.

The NRC recommends remuneration packages which are sufficient and necessary to attract, retain and motivate Executive Director(s) to manage the business of the Group. Executive Director is remunerated based on the Group's performance, market conditions and his responsibilities whilst the remuneration of the Non-Executive Directors are determined in accordance with their experience and level of responsibilities assumed in Committees and the Board.

The remuneration packages of Non-Executive Directors should be determined by the Board as a whole subject to the shareholders' approval.

The Directors' remuneration paid or payable to all Directors of the Company (by Company and by Group) for financial year ended 30 November 2021 were as follows:

Company:

Directors	Fees	Salaries	Meeting allowances	Other emoluments	Total
YM Tengku Ahmad Badli Shah Bin Raja Hussin *(Resigned on 14 January 2022)*	90,000	-	5,500	2,400	97,900
Tan Sik Eek	-	289,500	-	79,343	368,843
Yong Ket Inn	72,000	-	5,500	2,400	79,900
Chu Chee Peng	72,000	-	5,500	2,400	79,900
Ong Siew Min *(Appointed on 25 February 2022)*	N/A	N/A	N/A	N/A	N/A

Overview Statement on Corporate Governance

(A) BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

3. REMUNERATION (CONTINUED)

3.1 Directors' Remuneration (Continued)

Group:

Directors	Fees	Salaries	Meeting allowances	Other emoluments	Total
YM Tengku Ahmad Badli Shah Bin Raja Hussin *(Resigned on 14 January 2022)*	138,000	-	5,500	2,400	145,900
Tan Sik Eek	665,897	289,500	-	79,343	1,034,740
Yong Ket Inn	120,056	-	5,500	2,400	127,956
Chu Chee Peng	120,000	-	5,500	2,400	127,900
Ong Siew Min *(Appointed on 25 February 2022)*	N/A	N/A	N/A	N/A	N/A

The Company notes the need for transparency in the disclosure of its key senior management remuneration, the Company is of the opinion that the disclosure of remuneration details may be detrimental to its business interests, given the competitive landscape for key personnel with requisite knowledge, technical expertise and working experience in the Company's business activities, where intense headhunting is a common industry challenge. Accordingly, such disclosure of specific remuneration information may give rise to recruitment and talent retention issues.

The Company is of the view that the interest of the shareholders will not be prejudiced as a result of such non-disclosure of the key senior management on named basis.

The number of key senior management in office at the end of the financial year and the total remuneration from the Group categorized into the various bands were as follows:

	Total
RM50,001 - RM100,000	3
RM150,001 - RM200,000	1
RM300,001 - RM350,000	1
RM1,000,001 - RM1,050,000	1

(B) EFFECTIVE AUDIT AND RISK MANAGEMENT

4. AUDIT AND RISK MANAGEMENT COMMITTEE

4.1 Financial Reporting

The Board through the ARMC endeavors to provide a clear, balanced and meaningful assessment of the Group's financial performance and prospects, through the annual audited financial statements and quarterly financial reports, and corporate announcements on significant developments affecting the Group in accordance with the Listing Requirements of Bursa Securities.

The Board is also responsible to ensure that financial statements are prepared in accordance with the provisions of the Companies Act, 2016 and the applicable financial reporting standards in Malaysia. The statement of Directors' responsibility in respect of the annual audited financial statements is presented in the section of Directors' Responsibility Statement on Financial Statements in this Annual Report.

The Board is assisted by the ARMC in overseeing the Group's financial reporting process and the accuracy, consistency and appropriateness of the use and application of accounting policies and standards, as well as the reasonableness and prudence in making estimates, statements and explanations. The ARMC reviewed the quarterly and annual audited financial statements of the Company prior to recommendation of the same to the Board for approval and submission to Bursa Securities and/or shareholders. A full ARMC Report detailing its composition, and a summary of activities and work during the financial year are set out in Audit and Risk Management Committee Report in this Annual Report.

(B) EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

4. AUDIT AND RISK MANAGEMENT COMMITTEE (CONTINUED)

4.2 Relationship and Assessment of External Auditors

The Board maintains a transparent and professional relationship with the External Auditors through the ARMC. The ARMC invites External Auditors to attend its meetings at least twice a year to discuss their audit plan and their audit findings on the Group's financial statements. The External Auditors would share with the ARMC on any significant issues on the financial statements and regulatory updates. In addition, the ARMC will also have private meeting with the External Auditors without the presence of the executive management team to enable exchange of views on issues requiring attention.

The ARMC has in place a policy to assess the performance, independence and quality of External Auditors on an annual basis and report to the Board its recommendation for the re-appointment of the External Auditors at the Annual General Meeting. The area of assessment includes among others, the External Auditors' caliber, audit team, audit scope, audit communication, audit governance and independence as well as the audit fees.

As part of the evaluation process, the ARMC will obtain feedback from the management team on the quality of the audit service of the External Auditors. The External Auditors provide assurance to the ARMC that they were independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The shareholders of the Company had at the Annual General Meeting held on 5 May 2021 approved the re-appointment of Messrs SBY Partners PLT as the External Auditors of the Company.

The non-audit fees paid or payable to External Auditors for the financial year ended 30 November 2021 amounted to RM8,000 in respect of annual review of the Statement of Risk Management and Internal Control.

5. Risk Management and Internal Control Framework

5.1 Risk Management Framework

The Board is committed to determine the Company's level of risk tolerance and to actively identify, assess and monitor key business risks to safeguard shareholders' investments and the Company's assets by monitoring the internal controls in place with the assistance of the ARMC, the External Auditors and the Internal Auditors, who will report directly to the ARMC on the effectiveness and efficiency of the internal control processes and procedures periodically to ensure that the system is viable and robust.

Further details of the risk management framework and the system of internal control of the Group are presented in the Statement of Risk Management and Internal Control of this Annual Report.

5.2 Internal Audit Function

The Group's internal audit function is outsourced to a professional services firm to provide the ARMC with an independent assessment on the adequacy and effectiveness of the Group's system of internal control. The outsourced internal auditors reports functionally to the ARMC and administratively to the Board. Its responsibilities include providing independent and objective reports on the state of internal controls of the significant operation units in the Group to the ARMC, with recommendations for improvement to the control procedures, so that remedial actions can be taken in relation to weaknesses noted in the systems.

The ARMC works with the Internal Auditors to ensure that the internal audit plan encompasses the audit of the essential services and the follow up on the audits. The internal auditors are required to perform periodic testing of the internal control systems to ensure that the system is robust.

Information on the Company's risk management framework and internal control system is presented in the Statement of Risk Management and Internal Control of this Annual Report.

Overview Statement on Corporate Governance

(C) INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH SHAREHOLDERS

6. Communication with Stakeholders

The Board recognizes the need for transparency and accountability to the Company's shareholders and regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Company. It ensures that timely releases of the quarterly financial results, circulars, press releases, corporate announcements and annual reports are made to its shareholders and investors.

The Company has adopted a Corporate Disclosure Policy aiming at effectively handling and disseminating the corporate information timely and accurately to its shareholders, stakeholders, and the investing public in general as required by Bursa Securities. The Corporate Disclosure Policy is available on the Company's website at www.netx.com.my.

The Board ensures that all material information and corporate disclosures are discussed with the management prior to dissemination to ensure compliance with the Listing Requirements. In deciding on the necessary disclosures and announcements, the Board is also guided by Bursa Securities corporate disclosure guides as published by Bursa Securities from time to time. The Board delegated the authority to the Executive Director to ensure that Corporate Disclosure Policy is being adhered to by the management and Company Secretary. The Executive Director is also given the authority to approve all announcements.

The Company's website has a section dedicated to shareholders under Investor Relations where shareholders can check on the latest announcements of the Group, Annual Reports, Quarterly reports, Corporate policies and contact information.

7. Conduct of General Meetings

The Annual General Meeting ("AGM') is the main delivery channel for dialogue with all shareholders. As recommended by the MCCG, the notice of AGM will be despatched to shareholders at least twenty eight (28) days before the AGM, to allow shareholders to have additional time to go through the Annual Report and make the necessary attendance and voting arrangements. Shareholders are encouraged and are given ample opportunities to review the annual report, to appoint proxies and to collate questions to be asked at the AGM. The Notice of AGM, which sets out the business to be transacted at the AGM, is also published at least in a major local newspaper. The Board will ensure that each item of special business included in the notices of the AGM or extraordinary general meeting is accompanied by a full explanation of the effects of any proposed resolution.

The tentative dates of the AGM will be discussed and fixed by the Board in advance to ensure that each of the Directors is able to make the necessary arrangement to attend the planned AGM. With the outbreak of Coronavirus Disease ("COVID-19") and as part of the safety measures to curb the spread of the COVID-19 pandemic, the Twentieth (20th) AGM of the Company which was held on 5 May 2021 was conducted by way of a fully virtual basis and online remote voting using the Remote Participation and Voting Facilities and has been attended by all the Directors of the Company.

At the commencement of all general meetings, the Chairman will inform the shareholders of their rights to a poll voting. Scrutineer is appointed to validate the votes cast at the general meeting. Separate resolutions are proposed for substantially separate issues at the meeting and the Chairman will declare the number of votes received, both for and against for each separate resolution. The outcome of a general meeting will be announced to Bursa Securities on the same meeting day.

During the AGM, the shareholders are invited to raise questions pertaining to the financial performance, the business activities of the Group and matters tabled at the general meeting. The External Auditors are also present to provide professional and independent clarification on issues and concerns raised by the shareholders. Suggestions and comments by shareholders in the AGM will be noted by the Board for consideration.

Information on shareholder communication policy and shareholders' rights relating to general meeting is available at www.netx.com.my.

(D) COMPLIANCE STATEMENT

Other than as disclosed and/or explained in this Annual Report, the Board is of the view that the Group has complied with and shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices set out in MCCG and all other applicable laws, where applicable and appropriate.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("Board") of NetX Holdings Berhad ("Company") is committed to maintain a comprehensive and sound system of risk management and internal control as part of good corporate governance. The Company is pleased to provide the following Statement on Risk and Management and Internal Control ("Statement") which outlines the scope and nature of risk management and the internal controls of the Company and the subsidiaries ("Group") for the financial year ended 30 November 2021. This Statement is pursuant to Rule 15.26 (b) of the ACE market Listing Requirement issued by Bursa Malaysia Securities Bhd and the Malaysian Code on Corporate Governance.

BOARD'S RESPONSIBILITY

The Board acknowledges its responsibility and commitment to maintain a sound risk management and internal control system within the Group to safeguard the shareholders' investments and the Group's assets. The Board has established an on-going process to continuously review the adequacy and effectiveness of the Group's risk management framework and system of internal control.

The Board through its Audit and Risk Management Committee ("ARMC") supported by the Internal Auditors that is independent of the activities it audits, conducted periodic assessments during the financial year to ensure proper risk governance and determine the nature and extent of the significant risks that may hinder the Group from achieving its objectives are being adequately evaluated, managed and controlled. Audit issues as well as actions agreed by the Management to address them were tabled and deliberated by Internal Auditors during the ARMC Meetings, the minutes of which are then presented to the Board.

The Board is assisted by the Management in the implementation of the Board's policies and procedures on risks and control by identifying and assessing the risks faced, and in the design, operation and monitoring suitable internal control to mitigate and control these risks.

The system of risk management and internal control covers not only financial aspect but also operational and compliance aspect of the Group. Due to the limitations inherent in any risk management and internal control system, such systems are designed to manage, rather than eliminate the risk of failure to achieve Group business objectives and to improve the corporate governance process. Therefore, the system can only provide a reasonable and not an absolute assurance against the occurrence of material misstatement loss or fraud.

RISK MANAGEMENT FRAMEWORK

The Group has an embedded process for the identification, evaluation, reporting, treatment, monitoring and reviewing of the major strategic, business and operation risks within the Group. Both the Board and the ARMC review the effectiveness of the risk management function and deliberate on the risk management and internal control frameworks, functions, processes and reports on a regular basis.

At strategic level, business plans, business strategies and investment proposals with risks consideration are formulated by the Executive Directors and management team and presented to the Board for review and deliberation to ensure proposed plans and strategies are in line with the Group's risk appetite.

The framework is continually monitored to ensure it is responsive to the changes in the business environment and clearly communicated to all levels. Exceptions and improvement opportunities have been reported to the ARMC to enhance the effectiveness of the governance risk management and internal control processes of the Group. The development and documentation of risk management processes will continue to be enhanced and the Board will report on the status of the said development in due course.

INTERNAL CONTROL

The Board regularly review reports from the Management on key financial data, performance indicators and regulatory matters, so as to ensure issues are highlighted for review, deliberation and decision on a timely basis. Issues relating to the business operations are also highlighted during the Board meetings, whereas independent assurance is provided by the Group's External Auditors, internal audit function and the ARMC to the Board.

The key features of the Group's systems of internal control are as follow:

- **Organisational Structure**

  A formal organisational structure and discretionary authority limits are in place with defined lines of reporting, to align with business and operational requirements. Formal limits of authority delegation are implemented for planning, executing, controlling and monitoring business operations. The authority limit is summarized in authority matrix.

Statement of Risk Management and Internal Control

INTERNAL CONTROL (CONTINUED)

- **Policy and Procedure**

  The Management develops and maintains documented process flow for key business processes and standard operating procedure, ensuring that internal policies, processes and procedures are drawn up, revised as when required and necessary.

- **Board Committees**

  Board Committees are set up by the Group to uphold corporate governance and transparency with its specific terms of reference and authority. The Board Committees comprise of ARMC, and Nominating and Remuneration Committee ("Committees"). These Committees report to the Board and provide relevant recommendations for Board's decision.

  The ARMC, of which comprises Non-Executive Directors, was maintained throughout the financial year. The ARMC convenes meetings at least once every quarter, and discuss among others on the financial results, internal audit findings, related party transactions, risk management and on the external auditors' appointment and their external audit plan and results.

- **Human Resource Management**

  The Group has established consistent human resource practice that govern the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing necessary knowledge, skill and experience to carry out their duties and responsibilities assigned. Further, employee handbook is provided to employees of the Group. It guides the employees in carrying out their duties and responsibilities cover areas such as compliance with applicable local laws and regulations, integrity, conduct in workplace, business conduct, and protection of the Group's assets, confidentiality and conflict of interest.

INTERNAL AUDIT

The Group's internal audit, which is outsourced to a professional service firm to assist the Board and the ARMC in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control systems.

The outsourced Internal Auditors report independently to the ARMC and internal audit proposals are tabled to the ARMC for review and approval to ensure adequate coverage. The responsibilities of the Internal Auditors include conducting audits, submitting findings and independent report to the ARMC on the Group's systems of internal control. The Internal Auditors also focus on high risk area and ensure that an adequate action plan has in place to improve internal controls. Hence, risks are mitigated by the internal controls.

The internal audit function also aims at advising the Management on areas for improvement. Highlight on significant findings in respect of any non-compliance and subsequently performs follow-up reviews to determine the extent to which the recommendations have been implemented. Being an independent function, the audit work is conducted with impartiality, proficiency and due professional care.

During the financial year under review, a number of internal control weaknesses have been identified and all of which have been or are being addressed by the Management. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in this Annual Report.

CONCLUSION

The Board has obtained assurance from the executive management team that the risk management and internal control systems are operating adequately and effectively, in all material aspects for the financial year under review. There was no material control failure that would have any material adverse effect on the financial results of the Group for the financial year under review and up to the date of issuance of the financial statements.

The Board plays an active role in reviewing and deliberating the business plans, strategies performance and risks faced by the Company. Quarterly financial statements are presented to the Board for their review and approval, and when necessary, put in place appropriate action plans to further enhance the internal control systems.

The Board is of the view that the current system of internal control is adequate and effective to safeguard shareholders' investment and the Group's assets. However, the Board is also cognisant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the system of internal control.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the ACE market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement for inclusion in the Annual Report for financial year ended 30 November 2021. In accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other Than Audits or Review of Historical Financial Information and AAPG 3, Guidance for Auditors on Engagements to Report on Statement on Risk Management and Internal Control, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

OTHER COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

a. 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 ("Share Issuance")

The Shares Issuance was completed on 19 January 2018. The 500 million new ordinary shares under the Share Issuance have fully subscribed by Macquarie Bank raising RM21,103,000.00 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.

As at 30 November 2021, the summary of the utilisation of proceeds were as follows:-

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 60 months
Working Capital	323	323	-	Within 24 months
Expenses in relation to Share Issuance	780	780	-	Immediate
	21,103	10,524	10,579	

b. Private Placement of up to 30% of the total number of issued shares to Third Party Investors

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.

As at 30 November 2021, the proceeds raised from the said exercise has been fully utilised as follows:-

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

c. Private Placement of up to 10% of the total number of issued shares to Third Party Investors

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.

As at 30 November 2021, the summary of the utilisation of proceeds were as follows :-

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Intended Timeframe for Utilisation
Rebranding and upgrading of the GEM application	4,573	4,046	527	Within 24 months
Expenses for the Private Placement	95	95	-	Immediate
	4,668	4,141	527	

Other Compliance Information

1. UTILISATION OF PROCEEDS (CONTINUED)

d. Private Placement of up to 10% of the total number of issued shares to Third Party Investors

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.

As at 30 November 2021, the summary of the utilisation of proceeds were as follows :-

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Intended Timeframe for Utilisation
Enhancement of GemSpot and GemSpot Lite	4,581	4,546	35	Within 24 months
Expenses for the Private Placement	110	110	-	Immediate
	4,691	4,656	35	

e. Share Consolidation and Rights Issue with Warrants

On 14 August 2020, the Company proposed to undertake the corporate exercise relating to the consolidation of every 25 ordinary shares in NetX Shares into 1 NetX Share 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.

As at 30 November 2021, the summary of the utilisation of proceeds were as follows :-

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Intended Timeframe for Utilisation
Development of a F&B e-commerce platform	5,000	-	5,000	Within 18 months
Marketing of GemSpot and GemSpot Lite	25,000	8	24,992	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	3,654	21,346	Within 36 months
Working capital	17,498	6,433	11,065	Within 24 months
Expenses for the Right Issue	900	900	-	Immediate
	81,398	10,995	70,403	

2. AUDIT AND NON-AUDIT FEES

The audit and non-audit fees paid or payable to the external auditors for the financial year ended 30 November 2021 is as follows:-

Detail of fees	Group RM	Company RM
Statutory Audit fees	194,405	80,000
Non-audit fees for review of Statement of Risk Management and Internal Control	8,000	8,000
	202,405	88,000

Other Compliance Information

3. MATERIAL CONTRACTS AND CONTRACTS RELATED TO LOAN INVOLVING DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS

There were no material contracts or contracts related to loan entered into by the Company and/or its subsidiaries involving Directors', Chief Executive's and/ or major shareholders' interests, either still subsisting at the end of the financial year or entered into since the end of the previous financial period.

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF REVENUE NATURE

Save for such disclosure made in note 34 of the audited financial statements on page 100 of this Annual Report, there were no other material recurrent related party transactions entered by the Group during the financial year under reviewed.

5. SHARE ISSUANCE SCHEME ("SIS")

The SIS of the Company were approved by the shareholders at the Extraordinary General Meeting held on 21 January 2016 and is governed by the SIS By-Laws.

The SIS was implemented on 24 November 2016 and shall be in force for a period of five (5) years and may be extended to such further period, at the sole and absolute discretion of the Board upon the recommendation by the Option Committee, provided always that the Initial Scheme Period above and such extension of the scheme made pursuant to the SIS By-Laws shall not in aggregate exceed a duration of ten (10) years or such other period as may be prescribed by Bursa Malaysia Securities Berhad or any other relevant authorities from the effective date of the SIS. On 9 November 2021, the Board had approved the extension of the SIS which is expiring on 23 November 2021 for another five (5) years until 23 November 2026 in accordance with the terms of the SIS By-Laws.

At the date of printing of this Annual Report, a total of 777,338,348 options were offered to eligible employees under SIS.

The total number of SIS options granted, exercised and outstanding as at 30 November 2021 are set out in the table below:

Total number of options / shares outstanding as at 30 November 2020	Total number of options exercised during the financial year ended 30 November 2021	Total number of options / shares granted during the financial year ended 30 November 2021	Total number of options / shares lapsed during the financial year ended 30 November 2021	Total options / shares outstanding as at 30 November 2021
-	-	714,912,750	(714,912,750)	-

Options granted to Directors and Chief Executive

	Percentage
Aggregate options granted	None
Aggregate options exercised	None
Aggregate options outstanding	None

Options granted to Directors and Senior Management

	Percentage
Aggregate maximum allocation	80
Actual percentage granted during the financial year	Nil
Actual percentage granted since the commencement of the SIS	25

Breakdown of the options offered to and exercised by non-executives Directors pursuant to SIS in respect of the financial year are as follows:

Name of Directors	Amount of Options Granted	Amount of Options Exercised
YM Tengku Ahmad Badli Shah Bin Raja Hussin *(Resigned on 14 January 2022)*	Nil	Nil
Chu Chee Peng	Nil	Nil
Yong Ket Inn	Nil	Nil
Ong Siew Min *(Appointed on 25 February 2022)*	N/A	N/A

DIRECTORS' RESPONSIBILITY STATEMENT ON FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the annual audited financial statements of the Group and the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act, 2016 in Malaysia and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

In the preparation of financial statements, the Directors consider:

- The Company has used appropriate accounting policies and are consistently applied;
- Reasonable and prudent judgements and estimates have been made; and
- All applicable approved accounting standards in Malaysia have been followed.

The Directors have general responsibilities for taking such steps that are reasonably available to them so as to give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year, as well as to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 November 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, research and development of software, system design, integration and installation and provision of information technology services. The principal activities of the subsidiary companies are as set out in *Note 9* to the financial statements. There were no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
(Loss)/profit for the financial year		
Attributable to:		
Owners of the Company	(20,792,221)	8,337,656
Non-controlling interests	(1,572,039)	-

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

MOVEMENTS ON RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

WARRANTS 2020/2023

On 3 November 2020, the Company listed and quoted 313,068,412 free detachable warrants ("Warrants C") pursuant to the Rights Issue with Warrants exercise on the basis of three (3) Warrants for every six (6) rights shares subscribed.

The Warrants were constituted by the Deed Poll dated 18 September 2020.

The salient features and other terms of the Warrants are disclosed in *Note 20(a)* to the financial statements.

SHARE ISSUANCE SCHEME ("SIS")

At an extraordinary general meeting held on 21 January 2016, the Company's shareholders approved the establishment of SIS of up to 30% of the issued share capital of the Company at any point in time throughout the duration of the scheme to eligible employees of the Company and its subsidiary companies (excluding dormant subsidiary companies) under a contract of service or for service. The directors of the Company do not qualify to participate in the SIS.

Directors' Report

SHARE ISSUANCE SCHEME ("SIS") (CONTINUED)

In accordance with Rule 6.44(1) of the Listing Requirements of Bursa Malaysia, the SIS became effective for a period of 5 years from 24 November 2016, being the date of full compliance of the SIS.

On 9 November 2021, the Company had approved the extension of its existing SIS which is expiring on 23 November 2021 for another 5 years until 23 November 2026 in accordance with the terms of the SIS By-Laws.

During the financial year, the details of the SIS offered are as follows:

		←	*No. of Ordinary Shares*			→
Date of offer	**Exercise price**	**Balance 01.12.2020**	**Granted**	**Exercised**	**Lapsed**	**Balance 30.11.2021**
29.12.2020	RM0.1350	-	213,412,750	-	(213,412,750)	-
05.03.2021	RM0.1250	-	313,200,000	-	(313,200,000)	-
04.05.2021	RM0.1025	-	188,300,000	-	(188,300,000)	-

OPTIONS GRANTED OVER UNISSUED SHARES

No option has been granted during the financial year to take up the unissued shares of the Company except for the SIS offered to eligible employees.

DIRECTORS

The directors of the Company in office since the beginning of the financial year to the date of this report are:

Chu Chee Peng	
Tan Sik Eek	
Yong Ket Inn	
Ong Siew Min	(appointed on 25.02.2022)
Tengku Ahmad Badli Shah Bin Raja Hussin	(resigned on 14.01.2022)

The names of the directors of the subsidiary companies in office since the beginning of the financial year to the date of this report, excluding director who is also director of the Company are:

Ding Shukun	
Lynch Stephen Joseph Chor	
Teoh Khai Chien	
Foo Jee Hai	
Yee Kar Soon	(appointed on 01.10.2021; resigned on 09.03.2022)
Tai, Raymond Li Jin	(appointed on 14.09.2021)
Damion Russell Ryan	(resigned on 21.09.2021)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, particulars of interests of directors who held office at the end of the financial year in the shares in the Company during the financial year are as follows:

	←	*No. of Ordinary Shares*		→
	Balance 01.12.2020	**Bought**	**Sold**	**Balance 30.11.2021**
Yong Ket Inn	18,160,000	-	18,160,000	-
Tan Sik Eek	60,500,000	-	20,500,000	40,000,000

The other directors holding office at the end of the financial year had no interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit *(other than benefits included in the aggregate amount of emoluments received or due and receivable by directors as shown under Directors' Remuneration section below and Note 31 to the financial statements, or the fixed salary of a full-time employee of the Company)* by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in *Note 34* to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REMUNERATION

	Group RM	Company RM
Executive Directors' remuneration		
- fees	707,433	-
- other emoluments	448,479	368,843
	1,155,912	368,843
Non-executive Directors' remuneration		
- fees	378,056	234,000
- other emoluments	23,700	23,700
	401,756	257,700
Total directors' remuneration	1,557,668	626,543

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to or liability insurance effected for any directors, officers and auditors of the Group and of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

(d) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION (CONTINUED)

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year, except as disclosed in Note 37 to the financial statements.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year, which, in the opinion of the directors, will or may affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SIGNIFICANT SUBSEQUENT EVENTS TO THE FINANCIAL YEAR

The significant events during the financial year and significant subsequent events to the financial year are disclosed in Note 38 to the financial statements.

AUDITORS

The auditors' remuneration for the financial year ended 30 November 2021 of the Group and of the Company amounted to RM194,405 and RM80,000 respectively.

The auditors, Messrs SBY Partners PLT, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

…………………………………………..	…………………………………………..
TAN SIK EEK	**CHU CHEE PENG**
Director	*Director*

Kuala Lumpur,
Date: 29 March 2022

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the directors, the financial statements set out on pages 52 to 109 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 November 2021 and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

Signed in Kuala Lumpur on 29 March 2022

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

....
TAN SIK EEK

....
CHU CHEE PENG

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Tan Sik Eek, being the director primarily responsible for the financial management of NetX Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements set out on pages 52 to 109 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed, Tan Sik Eek at
Kuala Lumpur on 29 March 2022

Before me

....
TAN SIK EEK

AMIR BIN ISMAIL
License No: W800
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF NETX HOLDINGS BERHAD
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NetX Holdings Berhad, which comprise the statements of financial position as at 30 November 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 52 to 109.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 November 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Risk area and rationale	Our response
Intangible assets *(Note 8 to the financial statements)*	
The carrying amount of intangible assets as at 30 November 2021 is amounted to RM13,454,738, of which it comprises of application software and software development cost amounted to RM5,601,310 and RM7,853,428 respectively. During the financial year, the management has provided the following: (i) Intangible assets written off amounted to RM1,023,082; (ii) Impairment loss on intangible assets amounted to RM4,285,329; and (iii) Amortisation of intangible assets amounted to RM1,190,983.	Our audit procedures included, amongst others:- - checked to the source documents and evaluated the appropriateness of the development costs to be capitalised as the additions to intangible assets; - sighted to the trademark certificates issued by the approving authorities; - compare prior periods forecast to actual outcomes to assess reliability of management's forecasting process; - assessed and evaluate the key assumptions used in forecasting revenues, operating profits margins and growth rates; - assessed appropriateness of pre-tax discount rate use by the management by comparing to the market data, the market weighted average cost of capital and the relevant risk factors;

Independent Auditors' Report
To the members of NetX Holdings Berhad
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Risk area and rationale	Our response
Intangible assets *(Note 8 to the financial statements) (Continued)*	
We determined this to be a key audit matters because it requires significant judgments and estimates on the future results and key assumptions that is applied across the cash flow projections of the cash generating units (CGU) in determining the recoverable amounts. These key assumptions include forecasted revenue growth rates, operating profits margins, an appropriate pre-tax discount rate and the consideration of COVID-19 pandemic.	- agreed the input data used by management to supporting evidence by verifying the actual results and financial budgets that is approved by the management; - discussed with the management to understand the reasons for the technological obsolescence that lead to the written-off of the intangible assets; and - performed sensitivity analysis to stress test the key assumptions used in the cash flow projections to evaluate the impact on the impairment assessment.
Goodwill *(Note 11 to the financial statements)*	
The carrying amount of Goodwill as at 30 November 2021 is amounted to RM5,936,049. We determined this to be a key audit matter as the process is complex and it requires significant judgments and estimates on the future results and key assumptions that is applied across the cash flow projections of the cash generating units (CGU) in determining the recoverable amounts. These key assumptions include forecasted revenue growth rates, operating profit margins, and as well as determining an appropriate pre-tax discount rate used for each CGU, considering the impact of the COVID-19 pandemic.	Our audit procedures included, amongst others:- - compared prior periods forecast to actual outcomes to assess reliability of management's forecasting process; - assessed and evaluated the key assumptions used in forecasting revenues, operating profits margins and growth rates; - assessed appropriateness of pre-tax discount rates used by management by comparing to the market data, the market weighted average cost of capital and the relevant risk factors; - challenged and made enquiries on the management on the key inputs used in the measurement methods; - performed sensitivity analysis to stress test the key assumptions used in the cash flow projections to evaluate the impact on the impairment assessment; and - agreed the input data used by management to supporting evidence by verifying the actual results and financial budgets approved by the management.
Trade receivables and other receivables, deposits and prepayments *(Notes 13 and 14 to the financial statements)*	
The carrying amount of Group's trade receivables and other receivables, deposits and prepayments as at 30 November 2021 amounted to RM5,251,479 and RM15,303,046 respectively. During the financial year, the management has provided the followings: (i) Bad debts written off amounted to RM49,363; and (ii) Reversal of impairment losses on trade receivables amounted to RM18,452.	Our audit procedures included, amongst others: - recomputed the probability of default using the historical data and forward-looking information adjustment considering the impact of the COVID-19 pandemic applied by the Company; - challenged and made enquiries on the management on the key inputs used in the measurement methods and the rationale underlying the relationship between the forward-looking information used by the Company; - tested the accuracy and completeness of data used in the computation of the expected credit losses; - assessed the ageing analysis of trade receivables; and - reviewed the collection of trade receivables, other receivables and deposits subsequent to the financial year.

Independent Auditors' Report
To the members of NetX Holdings Berhad
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Risk area and rationale	Our response
Plant and equipment *(Note 5 to the financial statements)*	
Wireless fidelity hardware is categorised as hardware in Note 5 to the financial statements. As at 30 November 2021, included in plant and equipment are wireless fidelity hardware with carrying value of RM1,306,004. This asset is located in Thailand and as at the date of these financial statements were authorised for issue, this asset contributed the share of losses to the Group. As such, this asset is subject for impairment and significant management judgments involved in the preparation of the cash flow projections.	Our audit procedures included, amongst others:- - performed physical sighting on sampling basis; - compared prior periods forecast to actual outcomes to assess reliability of management's forecasting process; - assessed and evaluated the key assumptions used in forecasting revenues, operating profits margins and growth rates; - assessed appropriateness of pre-tax discount rates used by management by comparing to the market data, the market weighted average cost of capital and the relevant risk factors; - challenged and made enquiries on the management on the key inputs used in the measurement methods; - performed sensitivity analysis to stress test the key assumptions used in the cash flow projections to evaluate the impact on the impairment assessment; and - agreed the input data used by management to supporting evidence by verifying the actual results and financial budgets approved by the management.
Other operating income	
During the financial year, the Group has recognised realised gain on investment of unwrought gold amounted to RM792,599 and the corresponding entry as other receivables amounted to RM2,905,551. The subsidiary of the Company has signed an Offtake and Underwriting agreement to purchase and sale of the unwrought gold and it's a new business activity of the subsidiary. The subsidiary of the Group has undertaken the trading of the unwrought gold based on cryptocurrency. The subsidiary transfers the investment sum by converting the USD into crypto E-wallet. As at the end of the financial year, the Directors had converted the entire balance in the crypto E-wallet into USD. In view of the complexity of the arrangement, we have determined this to be a key audit matter.	Our audit procedures included, amongst others:- - assessed on the impairment of the other receivables amounted to RM2,905,551; - obtained the latest available audited financial statements of the other receivables; - enquired with the appropriate personnel to evaluate on the accounting treatments and the corresponding entries; - assessed the Offtake and Underwriting agreement to ascertain the appropriateness of the transaction in compliance with MFRS 15; - obtained sufficient supporting documents relevant to the transactions; - obtained external confirmation to satisfy the existence; - enquired with relevant personnel to evaluate the transactions in accordance with the agreement; - enquired with the management on the business structure and process flow of the unwrought gold trading; - obtained access to the crypto E-wallet of the subsidiary, to review the transactions that occurred during the financial year; and - recomputed the trading account to match with the realised gain amounted to RM792,599.

Independent Auditors' Report
To the members of NetX Holdings Berhad
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (Continued)

Information Other Than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

Independent Auditors' Report
To the members of NetX Holdings Berhad
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content for this report.

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SBY PARTNERS PLT
Reg. No: 202106000003 (LLP0026726-LCA) AF: 0660
Chartered Accountants

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SUKHPAL SINGH A/L KAUR SINGH
03494/05/2022 J
Chartered Accountant

Kuala Lumpur,
Date: 29 March 2022

STATEMENTS OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
ASSETS					
NON-CURRENT ASSETS					
Plant and equipment	5	4,289,794	6,252,453	297,686	429,615
Investment properties	6	38,121,389	5,781,492	-	-
Right-of-use assets	7	442,850	57,905	-	-
Intangible assets	8	13,454,738	13,853,277	-	-
Investment in subsidiary companies	9	-	-	22,867,533	87,210
Other investments	10	6,615,058	13,524,000	-	-
Goodwill	11	5,936,049	-	-	-
		68,859,878	39,469,127	23,165,219	516,825
CURRENT ASSETS					
Inventories	12	12,573	2,301	-	-
Trade receivables	13	5,251,479	7,987,465	-	-
Other receivables, deposits and prepayments	14	15,303,046	19,698,848	15,365	15,430
Contract assets	15	1,875,371	-	-	-
Amount owing by subsidiary companies	16	-	-	-	10,600
Current tax assets		56,327	4,613	-	-
Short-term investments	17	25,637,508	40,055,124	25,637,508	40,055,124
Cash and bank balances	18	64,403,793	60,593,261	838,869	761,814
		112,540,097	128,341,612	26,491,742	40,842,968
TOTAL ASSETS		181,399,975	167,810,739	49,656,961	41,359,793
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	205,876,718	205,876,718	205,876,718	205,876,718
Reserves	20	(61,217,768)	(39,498,408)	(156,329,419)	(164,667,075)
Total equity attributable to owners of the Company		144,658,950	166,378,310	49,547,299	41,209,643
Non-controlling interests		(4,640,578)	(3,911,075)	-	-
TOTAL EQUITY		140,018,372	162,467,235	49,547,299	41,209,643
LIABILITIES					
NON-CURRENT LIABILITIES					
Lease liabilities	25	245,339	-	-	-
Term loan	21	31,783,091	1,623,714	-	-
Deferred tax liabilities	22	132,989	126,989	-	-
		32,161,419	1,750,703	-	-
CURRENT LIABILITIES					
Trade payables	23	592,821	2,432,416	-	-
Other payables and accruals	24	4,108,822	387,381	109,662	150,150
Contract liabilities	15	2,052,275	343,719	-	-
Lease liabilities	25	201,427	59,032	-	-
Term loan	21	2,264,807	370,253	-	-
Current tax liabilities		32	-	-	-
		9,220,184	3,592,801	109,662	150,150
TOTAL LIABILITIES		41,381,603	5,343,504	109,662	150,150
TOTAL EQUITY AND LIABILITIES		181,399,975	167,810,739	49,656,961	41,359,793

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2021

		Group		Company	
	Note	**2021 RM**	**2020 RM**	**2021 RM**	**2020 RM**
REVENUE	26	11,722,233	14,897,440	-	-
COST OF SALES		(10,457,857)	(5,982,844)	-	-
GROSS PROFIT		1,264,376	8,914,596	-	-
OTHER OPERATING INCOME		7,800,647	2,473,521	9,905,971	605,428
ADMINISTRATIVE EXPENSES		(14,124,061)	(15,556,194)	(1,516,345)	(2,334,279)
OTHER OPERATING EXPENSES		(16,843,856)	(12,728,469)	(51,970)	(70,303,521)
(LOSS)/PROFIT FROM OPERATIONS		(21,902,894)	(16,896,546)	8,337,656	(72,032,372)
FINANCE COSTS	27	(466,463)	(116,925)	-	-
(LOSS)/PROFIT BEFORE TAXATION	28	(22,369,357)	(17,013,471)	8,337,656	(72,032,372)
INCOME TAX CREDIT/(EXPENSE)	29	5,097	(127,569)	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(22,364,260)	(17,141,040)	8,337,656	(72,032,372)
OTHER COMPREHENSIVE (LOSS)/INCOME					
Items that are reclassified subsequently to profit or loss					
- exchange differences on translation of the financial statements of foreign subsidiary companies		(1,016,672)	704,843	-	-
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE FINANCIAL YEAR		(23,380,932)	(16,436,197)	8,337,656	(72,032,372)
LOSS ATTRIBUTABLE TO:					
Owners of the Company		(20,792,221)	(15,870,540)		
Non-controlling interests		(1,572,039)	(1,270,500)		
		(22,364,260)	(17,141,040)		
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
Owners of the Company		(21,719,360)	(15,225,880)		
Non-controlling interests		(1,661,572)	(1,210,317)		
		(23,380,932)	(16,436,197)		
LOSS PER SHARE (Sen)					
Basic	30	(2.49)	(0.34)		
Diluted	30	N/A	N/A		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2021

		← Attributable to owners of the Company →							
		← Non-Distributable →				Distributable			
		Share capital	Warrants reserve	Share option reserve	Foreign currency translation reserve	Accumulated losses	Attributable to owners of the Company	Non-controlling interests	Total equity
GROUP	***Note***	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
At 1 December 2019		103,280,378	-	-	(174,454)	(24,098,074)	79,007,850	(2,700,758)	76,307,092
Transactions with owners:									
Issuance of shares pursuant to private placement	*19*	9,359,245	-	-	-	-	9,359,245	-	9,359,245
Issuance of shares pursuant to the exercise of SIS	*19*	11,839,308	-	(1,677,400)	-	-	10,161,908	-	10,161,908
Provision of SIS reserve		-	-	1,677,400	-	-	1,677,400	-	1,677,400
Rights shares issued		81,397,787	-	-	-	-	81,397,787	-	81,397,787
Allocation of warrant reserve	*20*	-	19,226,263	-	-	(19,226,263)	-	-	-
Total transactions with owners		102,596,340	19,226,263	-	-	(19,226,263)	102,596,340	-	102,596,340
Loss after taxation		-	-	-	-	(15,870,540)	(15,870,540)	(1,270,500)	(17,141,040)
Other comprehensive income:									
Foreign currency translation reserve		-	-	-	644,660	-	644,660	60,183	704,843
Total comprehensive loss for the financial year		-	-	-	644,660	(15,870,540)	(15,225,880)	(1,210,317)	(16,436,197)
At 30 November 2020/ 1 December 2020		205,876,718	19,226,263	-	470,206	(59,194,877)	166,378,310	(3,911,075)	162,467,235
Transactions with owners:									
Acquisition of subsidiary		-	-	-	-	-	-	932,069	932,069
Loss after taxation		-	-	-	-	(20,792,221)	(20,792,221)	(1,572,039)	(22,364,260)
Other comprehensive loss:									
Foreign currency translation reserve		-	-	-	(927,139)	-	(927,139)	(89,533)	(1,016,672)
Total comprehensive loss for the financal year		-	-	-	(927,139)	(20,792,221)	(21,719,360)	(1,661,572)	(23,380,932)
At 30 November 2021		205,876,718	19,226,263	-	(456,933)	(79,987,098)	144,658,950	(4,640,578)	140,018,372

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity
For the Financial Year Ended 30 November 2021

		← Non-distributable		→		
		Share capital	Warrant reserve	Share option reserve	Accumulated losses	Total equity
Company	***Note***	**RM**	**RM**	**RM**	**RM**	**RM**
At 1 December 2019		103,280,378	-	-	(92,634,703)	10,645,675
Transactions with owners:						
Issuance of shares pursuant to private placement	*19*	9,359,245	-	-	-	9,359,245
Issuance of shares pursuant to the exercise of SIS	*19*	11,839,308	-	(1,677,400)	-	10,161,908
Provision of SIS reserve		-	-	1,677,400	-	1,677,400
Rights shares issued		81,397,787				81,397,787
Allocation of warrant reserve	*20*	-	19,226,263	-	(19,226,263)	-
Total transactions with owners		102,596,340	19,226,263	-	(19,226,263)	102,596,340
Total comprehensive loss for the financial year		-	-	-	(72,032,372)	(72,032,372)
At 30 November 2020/1 December 2020		205,876,718	19,226,263	-	(183,893,338)	41,209,643
Total comprehensive income for the financial year		-	-	-	8,337,656	8,337,656
At 30 November 2021		205,876,718	19,226,263	-	(175,555,682)	49,547,299

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/profit before taxation	(22,369,357)	(17,013,471)	8,337,656	(72,032,372)
Adjustments for:				
Amortisation of intangible assets	1,190,983	1,225,145	-	-
Bad debts written off	49,363	14,670	-	-
Depreciation of plant and equipment	2,291,278	2,400,037	146,327	145,286
Depreciation of investment properties	261,910	56,217	-	-
Depreciation of right-of-use assets	160,035	115,809	-	-
Dividend income	(634,353)	(70,838)	(634,353)	(70,838)
Fair value losses on other investments	3,246,889	2,086,245	-	-
Fair value losses on short-term investments	24,183	15,714	24,183	15,714
(Gain)/loss on foreign exchange - unrealised	(3,460,626)	2,430,617	-	-
Impairment losses on amount owing by subsidiary companies	-	-	-	63,026,159
Impairment losses on investment in subsidiary companies	-	-	-	5,584,248
Impairment losses on intangible assets	4,285,329	8,051,784	-	-
Impairment losses on other investments	18,000	-	-	-
Impairment losses on trade receivables	-	221,800	-	-
Intangible assets written off	1,023,082	19,440	-	-
Interest expenses	466,463	116,925	-	-
Interest income	(856,606)	(1,575,977)	(3,578)	(12,591)
Inventories written off	2,162	14,080	-	-
Loss on disposal of other investments	6,647,735	-	-	-
Loss on disposal of short-term investments	27,787	-	27,787	-
Plant and equipment written off	1,290	627,337	-	-
Reversal of impairment losses on amount owing by subsidiary companies	-	-	(9,268,040)	(512,399)
Reversal of impairment losses on trade receivables	(18,452)	(22,772)	-	-
Share-based payment expenses	-	1,677,400	-	1,677,400
Operating (loss)/profit before working capital changes	(7,642,905)	390,162	(1,370,018)	(2,179,393)
Changes in contract assets/contract liabilities	(170,458)	222,967	-	-
Decrease/(Increase) in inventories	58,671	(382)	-	-
Decrease/(Increase) in receivables	1,761,970	(24,121,428)	65	(5,150)
Decrease in payables	(259,482)	(1,452,142)	(40,488)	(714,681)
Cash used in operating activities	(6,252,204)	(24,960,823)	(1,410,441)	(2,899,224)
Interest received	856,606	1,575,977	3,578	12,591
Tax paid	(4,923)	(3,862)	-	-
Net cash used in operating activities	(5,400,521)	(23,388,708)	(1,406,863)	(2,886,633)

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows
For the Financial Year Ended 30 November 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of intangible assets	(5,733,353)	(2,471,034)	-	-
Acquisition of subsidiary	(733,734)	-	-	-
Additions in other investments	-	(8,442,399)	-	-
Dividend received	634,353	70,838	634,353	70,838
Investment in quoted shares	(8,815,101)	-	-	-
Investment in subsidiary company	-	-	(6,628,196)	(5,671,458)
Proceeds from disposal of other investments	10,837,082	-	-	-
Proceeds from disposal of plant and equipment	3,735	-	-	-
Purchase of plant and equipment (Note A)	(59,232)	(116,693)	(14,398)	-
Purchase of investment properties	-	(900,000)	-	-
Net cash used in investing activities	(3,866,250)	(11,859,288)	(6,008,241)	(5,600,620)
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in amount owing by subsidiary companies	-	-	(6,873,487)	(54,423,531)
Interest expenses	(36,529)	-	-	-
Interest paid on term loan	(424,053)	(112,226)	-	-
Interest paid on lease liabilities	(5,881)	(4,699)	-	-
Withdrawal/(Placement) of short-term investments	14,365,646	(40,070,838)	14,365,646	(40,070,838)
Proceeds from issuance of shares	-	102,596,340	-	102,596,340
Repayment of lease liabilities	(161,905)	(114,682)	-	-
Repayment of term loan	(628,551)	(114,076)	-	-
Share issuance expenses	-	(1,677,400)	-	(1,677,400)
Non-controlling interests investment in subsidiaries	178,500	-	-	-
Net cash generated from financing activities	13,287,227	60,502,419	7,492,159	6,424,571
Net increase/(decrease) in cash and cash equivalents	4,020,456	25,254,423	77,055	(2,062,682)
Cash and cash equivalents at the beginning of the financial year	60,593,261	35,228,794	761,814	2,824,496
Effect of exchange differences	(209,924)	110,044	-	-
Cash and cash equivalents at the end of the financial year (Note B)	64,403,793	60,593,261	838,869	761,814

NOTES TO STATEMENTS OF CASH FLOWS

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
(A) Purchase of plant and equipment				
Aggregate cost	59,232	3,732,986	14,398	-
Less: Debts settlement	-	(3,616,293)	-	-
	59,232	116,693	14,398	-
(B) Cash and cash equivalents comprise:				
Short-term investments	25,637,508	40,055,124	25,637,508	40,055,124
Cash and bank balances	64,403,793	60,593,261	838,869	761,814
	90,041,301	100,648,385	26,476,377	40,816,938
Less: Short-term investments	(25,637,508)	(40,055,124)	(25,637,508)	(40,055,124)
	64,403,793	60,593,261	838,869	761,814

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
- 30 NOVEMBER 2021

1. GENERAL INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia and listed on ACE Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The address of the registered office of the Company is 22-09, Menara 1MK, No. 1 Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur, Wilayah Persekutuan.

The principal activities of the Company are investment holding, research and development of software, system design, integration and installation and provision of information technology services. The principal activities of the subsidiary companies are as set out in *Note 9.*

The address of the principal place of business of the Company is Lot 13.2, 13th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The financial statements have been prepared under the historical cost convention, except as disclosed in the *Note 3* to the financial statement on significant accounting policies.

On 1 December 2020 the Group and the Company have adopted the following Amendments to MFRSs issued by the Malaysian Accounting Standards Board, effective for the annual periods beginning on or after 1 December 2020:

Amendment to MFRS 16 Leases – Covid-19- Related Rent Concessions

The adoption of the above Amendments to MFRSs did not have any material impacts to the financial statements of the Group and of the Company.

MFRSs and Amendments to MFRSs that have been issued but are not yet effective

The MFRSs and Amendments to MFRSs that have been issued and applicable to the Group and the Company but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards when they become effective.

MFRSs and Amendments to MFRSs	Effective for annual periods beginning on or after
Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 3 Business Combinations - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current	1 January 2023
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 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of these MFRSs and Amendments to MFRSs that have been issued but not yet effective are not expected to have a material impact to the financial statements of the Group and of the Company.

Notes to the Financial Statements
- 30 November 2021

3. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies set out below are consistent with those applied in the previous financial year unless otherwise stated.

(a) Basis Of Consolidation

The financial statements of the Group include the financial statements of the Company and its subsidiary companies made up to the end of the financial year. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

(i) Acquisition method of accounting for non-common control business combinations

Acquisition of subsidiary companies is accounted for by applying the acquisition method. Under the acquisition method of accounting, identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects, for each individual business combination, whether to recognise non-controlling interest in the acquiree (if any) at fair value on the acquisition date, or the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statements of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(ii) Non-controlling interest

Non-controlling interest represents the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidated of financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

(b) Investment In Subsidiary Companies

Subsidiary companies are entities, including structured entities, controlled by the Group. The Group controls the entities when it is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less any impairment, unless the investment is classified as held for sale. The impairment loss is recognised in the profit or loss.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Plant And Equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, where applicable.

Plant and equipment are depreciated on a straight-line basis to write off the cost of each asset to their residual values over their estimated useful lives as follows:

EFTPOS terminals	8 years
Office equipment	3 - 10 years
Furniture and fittings	2 - 10 years
Machinery	2 years
Hardware	5 years
Renovation	2 - 10 years

The residual value, useful lives and depreciation method of plant and equipment are reviewed at each end of reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

On disposal of plant and equipment, the difference between the net disposal proceeds and the carrying amount is credited or charged to profit or loss in determining profit from operations.

(d) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

The Group is using cost model to measure their investment properties after initial recognition.

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gains or losses on the retirement or disposal of an investment properties are recognised in profit or loss in the financial year in which they arise.

Depreciation is provided on a straight-line method so as to write off the depreciable amount of the following assets over their estimated useful lives, as follows:

Leasehold building	97 years
Freehold building	50 years

(e) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiary company at the date of acquisition.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiary companies exceeds the cost of the business combinations, the excess i.e. bargain purchase is recognised as income immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible Assets - Research And Development Costs

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The useful life of intangible assets is assessed to be either finite or indefinite. Intangible assets with finite life are amortised on straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period for an intangible asset with a finite useful life is reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful life are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gain or losses arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Application software development costs

Costs associated with developing application software programmes that are considered to be capable of generating future economic benefits are capitalised in the financial statements, otherwise they are expensed off in profit or loss. Cost represents staff costs directly incurred in the development of the application software.

Application software development costs recognised as assets are stated at cost less accumulated amortisation and any accumulated impairment losses. Application software development costs, which are regarded to have finite useful lives are amortised on a straight-line basis over their estimated useful lives of 10 years.

The carrying amount of these costs is reviewed annually and will be written down when their value had deteriorated or when they cease to have any economic useful life.

Deferred development costs arising from development expenditures on an individual project are recognised when the Group can demonstrates the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete and the ability to measure reliably the expenditures during development.

(g) Impairment Of Non-financial Assets

The carrying amounts of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at each end of the reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

Notes to the Financial Statements
- 30 November 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment Of Non-financial Assets (Continued)

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount.

A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

(h) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined based on the first in, first out basis and is the aggregate of the original cost of purchases plus the cost of bringing the inventories to their present conditions and locations.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and the estimated costs necessary to make the sale.

(i) Financial Assets

All regular way of purchases or sale of financial assets are recognised and derecognised on a trade date basis. Regular way of purchases or sales are purchases or sale of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification Of Financial Assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (‘FVTOCI’):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (‘FVTPL’).

(ii) Amortised Cost And Effective Interest Method

At initial recognition financial assets are measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial Assets (Continued)

(ii) Amortised Cost And Effective Interest Method (Continued)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

For purchased or originated credit-impaired financial assets, the Group and the Company recognise interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "investment income" line item.

(iii) Debt Instruments Classified As FVTOCI

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements of gains or losses in the carrying amount are taken through other comprehensive income ('OCI'), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. Accumulated OCI is reclassified from equity to profit or loss and recognised in other gains/losses upon derecognition of the financial assets. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented net in the profit or loss within other gains/losses in the period in which it arises.

(iv) Equity Instruments

The Group and the Company subsequently measure all equity instruments at fair value. Where the Group's and the Company's management have elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the instruments. Dividends from such instruments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gain/losses in the profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity instruments measured at FVTOCI are not reported separately from other changes in fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial Assets (Continued)

(v) Financial Assets At FVTPL

This category comprises only in-the-money derivatives. They are carried in the statements of financial position at fair value with changes in fair value recognised in the profit or loss in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group and the Company do not have any assets held for trading nor do they voluntarily classify any financial assets as being at FVTPL.

(vi) Impairment Of Financial Assets

The Group and the Company recognise a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. Any impairment gain or loss arising from such changes is to be recognised in profit or loss.

The Group and the Company always recognise lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(vii) Derecognition Of Financial Assets

The Group and the Company derecognise a financial asset when the contractual right to the cash flows from the financial asset expire, or the Group and the Company transfer the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group and the Company neither transfer nor retain substantially all of the risks and rewards of ownership and the Group and the Company do not retain control of the financial asset.

In the event the Group and the Company enter into transactions whereby the Group and the Company transfer assets recognised in statements of financial position, but retain either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(i) Financial Liabilities At FVTPL

This category comprises only out-of-the-money derivatives. They are carried in the statements of financial position at fair value with changes in fair value recognised in the profit or loss. The Group and the Company do not have any liabilities held for trading nor have the Group and the Company designated any financial liabilities as being at FVTPL.

(ii) Other Financial Liabilities

Other financial liabilities include the following items:

- bank borrowings, where such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statements of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs as well as any interest payable while the liability is outstanding; and
- payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(iii) Derecognition Of Financial Liabilities

The Group and the Company derecognise a financial liability when their contractual obligations are discharged or cancelled, or expire. The Group and the Company also derecognise a financial liability when their terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(k) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

All transactions with the owners of the Company are recorded separately within equity.

(l) Contract Assets/Contract Liabilities

(i) Contract Assets

Contract asset represents service contracts cost which comprise of cost related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract. Contract costs includes direct labour, expenses and an appropriate proportion of contract overheads.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Contract Assets/Contract Liabilities (Continued)

(i) Contract Assets (Continued)

Revenue from work done on service contract is recognised based on the stage of completion method. The stage of completion is determined based on proportion of contract costs incurred for work performed to date to the estimated total contract costs.

When the outcome of a contract cannot be estimated reliably, the contract revenue shall be recognised only to the extent of contract costs incurred that is probable to be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the foreseeable loss is recognised as an expense immediately.

The aggregate costs incurred and profit or loss recognised on each contract is compared against the progress billings up to the financial year end. Where costs incurred plus recognised profits (less recognised losses) exceed progress billings, the balance is shown as amounts due from contract customers. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amounts due to contract customers.

(ii) Contract Liabilities

Contract liabilities represents the Group's obligation to transfer goods or services to customers for which the Group has received the consideration or has billed to the customer. The contract liabilities of the Group comprise of deferred revenue where the Group has billed or has collected the payment before services are provided to the customers.

(m) Lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what the purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer as the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group and the Company is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Lease (Continued)

Recognition And Measurement

(i) Initial Measurement

As a Lessor

When the Group and the Company act as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease.

To clarify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is operating lease.

If an arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 to allocate the consideration in the contract based on stand-alone selling prices.

When the Group and the Company are the intermediate lessor, they account for their interest in the head lease and the sublease separately. They assess the lease classification of a sublease with reference to the right-of-use assets arising from head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group and the Company apply the exemption described above, then they classify the sublease as an operating lease.

As a Lessee

The Group and the Company recognise a right-of-use assets and a lease liability at the lease commencement date. The right-of-use assets is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group's and Company's incremental borrowing rate is used. Generally, the Group and the Company use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group and the Company is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group and the Company is reasonably certain not to early terminate the contract.

The Group and the Company exclude variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group and the Company assess at lease commencement whether it is reasonably certain to exercise the extension options in determining the lease term.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and lease of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group and the Company present right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'borrowings' in the statement of financial position.

Notes to the Financial Statements
- 30 November 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Lease (Continued)

Recognition And Measurement

(ii) Subsequent measurement

As a Lessor

The Group and the Company recognise lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

As a Lessee

The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group and the Company change their assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

When there is lease modification due to increase in the scope of lease by adding the right-to-use one or more underlying assets, the Group and the Company assess whether the lease modification shall be accounted for as a separate lease or similar to reassessment of lease liability. The Group and the Company account for lease modification as a separate lease when the consideration for the lease increases by an amount that commensurate with the stand-alone price for the increase in scope and any appropriate adjustments.

When there is lease modification due to decrease in scope, the Group and the Company decrease the carrying amount of the right-of-use assets and remeasure the lease liability to reflect the partial or full termination of the lease. The corresponding gain or loss shall be recognised in profit or loss. Lease liabilities are remeasured for all other lease modifications with corresponding adjustments to the right-of-use assets.

(n) Revenue Recognition

Revenue which represents income arising in the course of the Group's and the Company's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Company transfer the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and the Company and their customer have approved the contract and intend to perform their respective obligations, the Group's and the Company's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group and the Company will collect the consideration to which the Group and the Company will be entitled to in exchange of those goods or services.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Revenue Recognition (Continued)

Recognition And Measurement

At the inception of each contract with customer, the Group and the Company assess the contract to identify distinct performance obligations, being the units of account that determine when and how revenue from the contract with customer is recognised. A performance obligation is a promise to transfer a distinct goods or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's and in the Company's customary business practices. A goods or services is distinct if:

- the customer can benefit from the goods or service either on its own or together with other resources that are readily available to the customer; and
- the Group's and the Company's promise to transfer the goods or service to the customer is separately identifiable from other promises in the contract.

If a goods or service is not distinct, the Group and the Company combine it with other promised goods or services until the Group and the Company identify a distinct performance obligation consisting a distinct bundle of goods or services.

Revenue is measured based on the consideration specified in contract with a customer excludes amounts collected on behalf of third parties such as sales and service taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, performance bonuses, penalties or other similar items, the Group and the Company estimate the amount of consideration that they expect to be entitled based on the expected value or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. If the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The consideration allocated to each performance obligation is recognised as revenue when or as the customer obtains control of the goods or services. At the inception of each contract with customer, the Group and the Company determine whether control of the goods or services for each performance obligation is transferred over time or at a point in time. Controls over the goods or services are transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
- the Group's and the Company's performances create or enhance a customer-controlled asset; or
- the Group and the Company performances do not create an asset with alternative use to the Group and the Company and the Group and the Company have a right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

The revenue recognition policies of the Group's and of the Company's major activities are described below:

(i) Revenue From Services Rendered

Revenue from services is recognised in the accounting period in which the services are rendered and the customer receives and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(ii) Revenue From Service Contracts

Revenue from service contracts is recognised based on the stage of completion method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Revenue Recognition (Continued)

Recognition And Measurement (Continued)

(iii) Revenue From Operating Lease

Revenue from terminal rental is recognised on a straight-line basis over the specific tenure of the respective leases.

(iv) Revenue From Software License

Revenue from software license is recognised when a customer's right to the intellectual property of the Group is established.

(o) Rental Income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

(p) Dividend Income

Dividend income is recognised when the right to receive dividend payment is established.

(q) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(r) Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company and its subsidiary companies. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur. The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period. Past-service costs are recognised immediately in profit or loss.

(ii) Defined Contribution Plan

The Company's and its subsidiary companies' contributions to defined contribution plans regulated and managed by the government are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Company and its subsidiary companies have no further financial obligations.

(s) Income Tax Expense

Income taxes for the financial year comprise current and deferred taxes.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting year.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Income Tax Expense (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting year.

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each end of the reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(t) Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (the reporting entity).

A related party is:

(i) a person or a close member of that person's family is related to a reporting entity if that person:
  a. has control or joint control of the reporting entity;
  b. has significant influence over the reporting entity; or
  c. is a member of the key management personnel of the reporting entity or of a holding company of the reporting entity.

(ii) an entity is related to a reporting entity if any of the following conditions applies:
  a. the entity and the reporting entity are members of the same group (which means that each holding company, subsidiary company and fellow subsidiary company is related to the others).
  b. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  c. both entities are joint ventures of the same third party.
  d. one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  e. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  f. the entity is controlled or jointly controlled by a person identified in (i).
  g. a person identified in (i)(b) has significant influence over the entity or is a member of the key management personnel of the entity (or of the holding company of the entity).
  h. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the holding company of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company and of the subsidiary companies either directly or indirectly. The key management personnel includes all the directors of the Company and directors of the subsidiary companies, members of senior management and chief executive officer of the Company as well as members of senior management and chief executive officers of major subsidiary companies of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Cash And Cash Equivalents

For the purposes of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(v) Functional And Foreign Currency

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting year are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(iii) Foreign Operations

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from the acquisition of foreign operations, are translated into RM for consolidation at the rates of exchange ruling at the end of the reporting year. Revenues and expenses of foreign operations are translated into RM at the average rates for the financial year. All exchanges differences arising from translation are recognised directly to other comprehensive income and accumulated in equity under translation reserve. On disposal of a foreign operation, accumulated translation differences recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to comprehensive income.

(w) Provisions For Liabilities

Provisions for liabilities are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and when a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each end of reporting date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

Any reimbursement that the Group or the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the profit or loss, net of any reimbursement.

(x) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group and of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Borrowing Costs

Borrowing costs, directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

(z) Earnings Per Ordinary Share ("EPS")

The Group presents basic and diluted earnings per share data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held, if any.

Diluted EPS is determine by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, if any, for the effect of all dilutive potential ordinary shares, which comprise warrants and share options granted to the employees.

(aa) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision makers to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. An operating segment may engage in business activities for which it has yet to earn revenues.

(ab) Warrant Reserve

Amount allocated in relation to the issuance of warrants is credited to warrant reserve which is non-distributable. Warrant reserve is transferred to share capital or retained profits upon the exercise or expiry of the warrants respectively.

(ac) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ac) Fair Value Measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: fair value is derived from quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2: fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Level 3: fair value is estimated using unobservable inputs for the financial assets and liabilities.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

(a) Depreciation of Plant and Equipment And Investment Properties

The estimates for residual values, useful lives and related depreciation charges for the plant and equipment and investment properties are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' action in response to the market conditions.

The Group and the Company anticipate that the residual values of their plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amount of plant and equipment and investment properties are disclosed in Note 5 and Note 6.

(b) Amortisation of Intangible Assets

Changes in the expected level of usage could impact the economic useful lives, therefore future amortisation charges could be revised.

(c) Impairment of Investment in Subsidiary Companies

The carrying value of investment in subsidiary companies is reviewed for impairment. In the determination of the value in use of the investment, the Company is required to estimate the expected cash flows to be generated by the subsidiary companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(d) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company and its subsidiary companies recognise tax liabilities based on their understanding of the prevailing tax laws and estimate of whether such taxes will be due in the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(e) Provision for ECL of Trade Receivables

The Group and the Company use a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(f) Contingent Liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting internal and external experts to the Group for matters in the ordinary course of business.

(g) Share-based Payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimates also require determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

(h) Write Down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgements and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(i) Fair Value of Financial Instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting year.

(j) Impairment of Other Receivables

The loss allowances for other financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting year.

(k) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use, the management is required to make an estimate of the expected future cash flows and also to apply a suitable discount rate in order to determine the present value of those cash flows.

Notes to the Financial Statements
- 30 November 2021

5. PLANT AND EQUIPMENT

The details of plant and equipment are as follows:

Group	Note	EFTPOS terminals RM	Office equipment RM	Furniture and fittings RM	Machinery RM	Hardware RM	Renovation RM	Total RM
Cost								
At 1 December 2019		1,074,589	634,380	46,398	-	4,098,323	1,191,479	7,045,169
Additions		-	58,356	19,537	38,800	3,616,293	-	3,732,986
Written off		(1,069,099)	(214,546)	-	-	-	-	(1,283,645)
Translation differences		-	908	-	-	(121,624)	-	(120,716)
At 30 November 2020/1 December 2020		5,490	479,098	65,935	38,800	7,592,992	1,191,479	9,373,794
Additions		-	56,665	2,567	-	-	-	59,232
Written off		-	(13,944)	-	-	-	-	(13,944)
Disposal		-	(5,899)	-	-	-	-	(5,899)
Acquisition of subsidiary companies	9	-	140,924	90,974	-	-	155,311	387,209
Translation differences		-	1,681	-	-	121,957	-	123,638
At 30 November 2021		5,490	658,525	159,476	38,800	7,714,949	1,346,790	9,924,030
Accumulated depreciation								
At 1 December 2019		316,958	335,355	35,680	-	204,916	521,731	1,414,640
Charge for the financial year		141,965	112,331	13,124	17,783	1,924,643	190,191	2,400,037
Written off		(455,920)	(200,388)	-	-	-	-	(656,308)
Translation differences		-	135	-	-	(37,163)	-	(37,028)
At 30 November 2020/1 December 2020		3,003	247,433	48,804	17,783	2,092,396	711,922	3,121,341
Charge for the financial year		685	84,331	20,620	19,400	2,002,183	164,059	2,291,278
Written off		-	(12,654)	-	-	-	-	(12,654)
Disposal		-	(2,163)	-	-	-	-	(2,163)
Acquisition of subsidiary companies	9	-	69,917	21,367	-	-	84,440	175,724
Translation differences		-	422	-	-	60,288	-	60,710
At 30 November 2021		3,688	387,286	90,791	37,183	4,154,867	960,421	5,634,236
Net carrying amount								
At 30 November 2021		1,802	271,239	68,685	1,617	3,560,082	386,369	4,289,794
At 30 November 2020		2,487	231,665	17,131	21,017	5,500,596	479,557	6,252,453

Notes to the Financial Statements
- 30 November 2021

5. PLANT AND EQUIPMENT (CONTINUED)

Company	**Office equipment RM**	**Renovation RM**	**Total RM**
Cost			
At 1 December 2019/30 November 2020/1 December 2020	15,998	710,432	726,430
Addition	14,398	-	14,398
At 30 November 2021	30,396	710,432	740,828
Accumulated depreciation			
At 1 December 2019	9,443	142,086	151,529
Charge for the financial year	3,200	142,086	145,286
At 30 November 2020/1 December 2020	12,643	284,172	296,815
Charge for the financial year	4,241	142,086	146,327
At 30 November 2021	16,884	426,258	443,142
Net carrying amount			
At 30 November 2021	13,512	284,174	297,686
At 30 November 2020	3,355	426,260	429,615

6. INVESTMENT PROPERTIES

	Note	**Freehold building RM**	**Leasehold building RM**	**Total RM**
Group				
Cost				
At 1 December 2019		-	5,453,030	5,453,030
Additions		-	900,000	900,000
At 30 November 2020/1 December 2020		-	6,353,030	6,353,030
Acquisition of subsidiary companies	*9*	37,643,139	-	37,643,139
At 30 November 2021		37,643,139	6,353,030	43,996,169
Accumulated depreciation				
At 1 December 2019		-	515,321	515,321
Charge for the financial year		-	56,217	56,217
At 30 November 2020/1 December 2020		-	571,538	571,538
Charge for the financial year		198,194	63,716	261,910
Acquisition of subsidiary companies	*9*	5,041,332	-	5,041,332
At 30 November 2021		5,239,526	635,254	5,874,780
Net carrying amount				
At 30 November 2021		32,403,613	5,717,776	38,121,389
At 30 November 2020		-	5,781,492	5,781,492

Notes to the Financial Statements
- 30 November 2021

6. INVESTMENT PROPERTIES (CONTINUED)

Assets pledged as securities to financial institutions

Group

The carrying amount of investment properties of the Group pledged as security for term loan as disclosed in Note 21 is:

	Group	
	2021 RM	**2020 RM**
Leasehold building	4,825,276	4,881,492
Freehold building	32,403,613	-

The fair value of investment properties of the Group is:

	2021 RM	**2020 RM**
Leasehold building	5,979,806	5,800,000
Freehold building	32,800,000	-

Group	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
2021				
Investment properties				
- Freehold building	-	32,800,000	-	32,800,000
- Leasehold building	-	-	5,979,806	5,979,806
2020				
Investment properties				
- Leasehold building	-	5,800,000	-	5,800,000

Fair value method adopted by professional valuer for the freehold building for the financial year ended 30 November 2021 is as follows:

Level 2 Fair Value

Level 2 fair value of freehold building have been derived by using the income approach using the investment method as the subject property are rental income generating.

The investment method of valuation is an income approach which capitalises the net annual rental income of the properties, at market rates/yield consistent with the type and quality of the property, to arrive at the market value. The rental income is capitalised after deducting expenses/outgoings.

Level 3 Fair Value

In year 2021, for leasehold building, the fair value of the Group's leasehold building have been estimated by the Directors based on directors' assessment of the current year price in an active market for the respective properties within each vicinity. In estimating the fair values, adjustments have been made to these listing prices to reflect differences in land or floor sizes, designs, location, and other features between the leasehold property and the comparable properties. The fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In estimating the fair value of the properties, the highest and best use of the properties in their current use.

In year 2020, the fair value of the leasehold building is as follows:

Level 2 Fair Value

Level 2 fair value of leasehold building have been derived by using the comparison approach. Sales prices of comparable buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs of this valuation approach is price per square foot of the comparable buildings.

Notes to the Financial Statements
- 30 November 2021

6. INVESTMENT PROPERTIES (CONTINUED)

Highest and Best Use

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

There was a transfer between level 2 to level 3 for fair value hierarchy of leasehold building during the financial year ended 30 November 2021.

The property rental income earned by the Group from its investment properties of which is leased out under operating lease, amounting to RM293,845 (2020: RM140,500). Direct operating expenses pertaining to the investment properties amounting to RM251,514 (2020: RM158,138).

7. RIGHT-OF-USE ASSETS

The details of right-of-use assets is as follows:

Group	***Note***	**Office building RM**
Cost		
At 1 December 2019/30 November 2020/1 December 2020		173,714
Additions		158,835
Acquisition of subsidiary companies	*9*	457,882
At 30 November 2021		790,431
Accumulated depreciation		
At 1 December 2019/30 November 2020/1 December 2020		115,809
Charge for the financial year		160,035
Acquisition of subsidiary companies	*9*	71,737
At 30 November 2021		347,581
Net carrying amount		
At 30 November 2021		442,850
At 30 November 2020		57,905

8. INTANGIBLE ASSETS

The details of intangible assets is as follows:

Group	**Application software RM**	**Development costs RM**	**Total RM**
Cost			
At 1 December 2019	6,048,499	15,773,263	21,821,762
Additions	-	2,471,034	2,471,034
Written off	(48,600)	-	(48,600)
Translation differences	(120,178)	(334,005)	(454,183)
At 30 November 2020/1 December 2020	5,879,721	17,910,292	23,790,013
Additions	5,531,106	202,247	5,733,353
Written off	(5,954,915)	-	(5,954,915)
Translation differences	145,398	513,977	659,375
At 30 November 2021	5,601,310	18,626,516	24,227,826
Accumulated amortisation			
At 1 December 2019	1,029,908	-	1,029,908
Charge for the financial year	1,225,145	-	1,225,145
Written off	(29,160)	-	(29,160)
Translation differences	(79,394)	-	(79,394)
At 30 November 2020/1 December 2020	2,146,499	-	2,146,499
Charge for the financial year	1,190,983	-	1,190,983
Written off	(3,364,933)	-	(3,364,933)
Translation differences	27,451	-	27,451
At 30 November 2021	-	-	-

Notes to the Financial Statements
- 30 November 2021

8. INTANGIBLE ASSETS (CONTINUED)

Group	**Application software RM**	**Development costs RM**	**Total RM**
Accumulated impairment			
At 1 December 2019/30 November 2020/1 December 2020	1,547,115	6,243,122	7,790,237
Additions	-	4,285,329	4,285,329
Written off	(1,566,900)	-	(1,566,900)
Translation differences	19,785	244,637	264,422
At 30 November 2021	-	10,773,088	10,773,088
Net carrying amount			
At 30 November 2021	5,601,310	7,853,428	13,454,738
At 30 November 2020	2,186,107	11,667,170	13,853,277

Group

The development costs relate to the development of application software.

The Group capitalised costs on development work of new software. The directors have forecasted the cash flows based on their expectations of market development. There are no reasonably possible changes in key assumptions that may have significant effect to the recoverable amount.

Application software are intangible assets with 10 years useful lives that are measured after initial recognition at cost less any accumulated amortisation and any impairment losses.

9. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2021 RM	**2020 RM**
Unquoted shares, at cost		
In Malaysia		
At 1 December 2020/2019	44,521,458	38,850,000
Addtions	1,000,019	5,671,458
At 30 November	45,521,477	44,521,458
Outside Malaysia		
At 1 December 2019/30 November 2020/1 December 2020/30 November 2021	49,908	49,908
	45,571,385	44,571,366
Less: Accumulated impairment losses		
At 1 December 2020/2019	(44,484,156)	(38,899,908)
Additions	-	(5,584,248)
At 30 November	(44,484,156)	(44,484,156)
	1,087,229	87,210
Equity contribution to subsidiaries	129,913,624	-
Less: Accumulated impairment losses	(108,133,320)	-
	21,780,304	-
At 30 November	22,867,533	87,210

Equity contribution to subsidiaries represents amount owing by subsidiaries which is non-trade in nature and interest free. The settlement of the amount is neither planned nor likely to occur in the near foreseeable future as it is the intention of the company to treat the amount as long term source of capital to the subsidiaries. As this amount is, in substance, a part of the net investment in subsidiaries, it is stated at cost less accumulated impairment, if any.

Notes to the Financial Statements
- 30 November 2021

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

Details of the subsidiary companies are as follows:

Name of subsidiary companies	Country of incorporation/ place of business	Effective equity interest 2021 %	2020 %	Principal activities
Direct holding:				
Ariantec Sdn. Bhd. ("Ariantec")	Malaysia	100	100	Provision of turnkey solutions on the network infrastructure, security management and rental of EFTPOS terminals.
Sungei Wang Plaza Sdn. Bhd. ("SWP")	Malaysia	100	-	Property and investment holding.
Sungei Wang Holdings Sdn. Bhd. ("SWH")	Malaysia	100	-	Property and investment holding.
GEM Pay Sdn. Bhd. ("GEM Pay")	Malaysia	99.31	99.31	Provision of Master Merchant and sub-contractor services.
First United Technology Limited ("FUTL")*	Hong Kong	90	90	Provision of software licensing, maintenance and support services.
E-Fx Sdn Bhd ("E-Fx")	Malaysia	100	100	Provision of services relating to information technology including trading of computer software and hardware and investing and trading in currencies and precious commodities.
Indirect holding:				
Subsidiary companies of Ariantec:				
GEM Live Sdn. Bhd. ("GEM Live")	Malaysia	100	100	Business of consultation, supply and commissioning of information technologies relating to provision of lifestyle mobile app; management of local entertainments/ lifestyle talents, influencers, key opinion leaders; distribute and trading of food and beverage.
NetX Digital Limited ("NDL")#	Republic of Seychelles	100	100	Trading of information technology related hardware and software equipment.
Indirect holding:				
Subsidiary company of GEM Pay:				
Emicro Capital (M) Sdn. Bhd. ("E-Capital")*	Malaysia	60	-	Investment holding company and management advisory.
Indirect holding:				
Subsidiary company of FUTL:				
Fujian First United Technology Co., Ltd ("FFUTCL")^#	China	100	100	Dormant.
Indirect holding:				
Subsidiary companies of E-Fx:				
Mountain Money Sdn. Bhd. ("MMSB")	Malaysia	49	-	Money services business.
EFX Global Pty Ltd ("EFX Global")@	Australia	100	-	Dormant.

Notes to the Financial Statements
- 30 November 2021

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

Name of subsidiary companies	Country of incorporation/ place of business	Effective equity interest 2021 %	2020 %	Principal activities
Indirect holding:				
Subsidiary company of GEM Live:				
Gem Excite Sdn. Bhd. ("GEM Excite")	Malaysia	100	100	Provision of the rental services for all kinds of machinery and equipment.
Indirect holding:				
Subsidiary company of NDL:				
NetX Digital Taiwan Limited*	Taiwan	100	100	Trading of information technology related hardware and software equipment.
Indirect holding:				
Subsidiary companies of E-Capital:				
Estamp Solutions Sdn. Bhd. ("E-Solutions")*	Malaysia	60	-	Engaged in computer-programming activities.
Emicro Services Sdn. Bhd. (E-Services)*	Malaysia	60	-	Business of licensed moneylenders and other related services; Trading of motor vehicles.

* *Subsidiary companies not audited by SBY Partners PLT*

@ *Consolidated using management accounts as the audited financial statements of this subsidiary is not available for consolidation as the Company is newly incorporated and currently is inactive. The financial statements of this subsidiary were reviewed by SBY Partners PLT.*

The financial statements of these subsidiary companies were reviewed by SBY Partners PLT for consolidation purposes. There is no legal requirement for the entity to be audited in the country of its incorporation.

^ *Fujian First United Technology Co. Ltd. has been strike off subsequent to the financial year ended 30 November 2021.*

The Group does not have any subsidiary company that has non-controlling interest which is individually material to the Group as at the end of the financial year.

There are no significant restrictions on the ability of the subsidiary companies to transfer funds to the Group in the form of cash dividends or repayment of loans and advances.

Impairment loss recognised

Impairment loss was provided for investment in subsidiary companies in which these subsidiary companies had accumulated losses and had deficits in their shareholders' equity. The forecasted financial position, financial performance and cash flows of these subsidiary companies are not expected to generate sufficient recoverable amount to justify the carrying amount of the investment in these subsidiary companies.

Acquisition of subsidiary companies

On 3 September 2021, the Company has entered into a Share Sales Agreement for the acquisition of:

(a) 1,000 ordinary shares and 9,800,000 irredeemable convertible preferences shares in SWP for a total consideration of RM10; and
(b) 23,402,576 ordinary shares in SWH for a total consideration of RM10.

Notes to the Financial Statements
- 30 November 2021

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

The fair values of the identifiable assets and liabilities of SWP and SWH at the date of acquisition were as follows:

	Fair value recognised on acquisition RM
Investment properties	32,601,807
Other investments	66,000
Trade payables	(1,094)
Non-trade receivables	24,221
Non-trade payables	(4,344,814)
Term loan	(32,682,482)
Current tax assets	12,325
Cash and bank balances	79,221
Net assets acquired	(4,244,816)
Total purchase consideration	20
Goodwill on acquisition	4,244,836

The purchase consideration was satisfied by:	RM
Cash consideration	20

The effect of the acquisition on cash flow was as follows:	RM
Purchase consideration satisfied by cash	20
Cash and bank balances of subsidiaries acquired	(79,221)
Net cash inflow on acquisition of the subsidiaries	(79,201)

On 14 December 2020, the Group entered into Share Sales Agreement to acquire 1,800,000 ordinary shares, representing 60% equity interest in E-Capital for a fixed consideration of RM720,000 and a contingent consideration payable up to RM480,000. The contingent consideration payment is calculated at 32% of annual profit after tax of E-Capital, subject to a maximum aggregated profit after tax of RM1,500,000, in the subsequent three financial years. Consequently, E-Capital became a subsidiary of the Group.

On 14 December 2020, the Group entered into a Share Subscription Agreement with E-Capital for the subscription of up to 3,000,000 Redeemable Convertible Preference Share (''RCPS") at the issued price of RM1 per RCPS for a total consideration of RM3,000,000. On 1 March 2021, the Group had completed the subscription of first tranche of RCPS in E-Capital comprised of 1,000,000 RCPS of RM1 each.

The fair values of the identifiable assets and liabilities of E-Capital at the date of acquisition were as follows:

	Fair value recognised on acquisition RM
Plant and equipment	202,513
Right-of-use assets	37,493
Trade receivables	230,350
Non-trade receivables	20,800
Non-trade payables	(79,143)
Lease liabilities	(40,621)
Current tax liabilities	(12,028)
Cash and bank balances	47,295
Net assets acquired	406,659
Less: Non-controlling interest	(732,192)
	(325,533)
Total purchase consideration	1,200,000
Goodwill on acquisition	1,525,533

Notes to the Financial Statements
- 30 November 2021

9. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

The purchase consideration was satisfied by:	**Fair value recognised on acquisition RM**
Cash consideration	720,000
Contingent consideration payment	480,000
	1,200,000

The effect of the acquisition on cash flow was as follows:	**RM**
Purchase consideration satisfied by cash	720,000
Cash and bank balances of subsidiary acquired	(47,295)
Net cash outflow on acquisition of the subsidiary	672,705

On 10 March 2021, the Group entered into a Share Sale and Purchase Agreement with third parties for the acquisition of 416,500 ordinary shares in MMSB for a total consideration of RM171,500. On 16 November 2021, the Group subscribed 171,500 new ordinary shares in MMSB for a total consideration of RM171,500, by way of capitalisation of amount owing by MMSB to the Group. Upon completion of acquisition and subscription of the shares, the Group holds 49% of the equity interest in MMSB. The directors consider that the Group controls MMSB even though it controls less than fifty percent (50%) of the voting rights. This is due to the Group has right to variable returns from its involvement with MMSB and has the ability to affect those return through the Group's power over MMSB.

The fair values of the identifiable assets and liabilities of MMSB at the date of acquisition were as follows:

	Fair value recognised on acquisition RM
Plant and equipment	8,972
Right-of-use assets	49,605
Inventories	71,105
Non-trade receivables	30,986
Non-trade payables	(124,087)
Trade payables	(24,900)
Lease liabilities	(51,137)
Current tax assets	35,382
Cash and bank balances	45,988
Net assets acquired	41,914
Less: Non-controlling interest	(21,376)
	20,538
Total purchase consideration	186,218
Goodwill on acquisition	165,680

The purchase consideration was satisfied by:	**RM**
Cash consideration	186,218

The effect of the acquisition on cash flow was as follows:	**RM**
Purchase consideration satisfied by cash	186,218
Cash and bank balances of subsidiary acquired	(45,988)
Net cash outflow on acquisition of the subsidiary	140,230

On 14 September 2021, the Group acquired 500 ordinary shares in EFX Global for a total consideration of AUD500. Consequently, EFX Global become a subsidiary of the Group.

10. OTHER INVESTMENTS

	Group 2021 RM	Group 2020 RM
Quoted shares in Malaysia at FVTPL		
At 1 December 2020/2019	13,524,000	7,326,000
Additions	13,567,576	8,442,399
Disposals	(17,484,817)	-
Fair value changes	(3,246,889)	(2,086,245)
Gain on foreign exchange - unrealised	(66,221)	171,743
Translation differences	273,409	(329,897)
At 30 November	6,567,058	13,524,000
Investment in the business of movie production at FVTOCI		
At 1 December 2019/30 November 2020/1 December 2020/30 November 2021	308,612	308,612
Less: Accumulated impairment losses	(308,612)	(308,612)
	-	-
Other investments at FVTPL		
At 1 December 2020/2019	-	-
Acquisition of subsidiary	66,000	-
At 30 November	66,000	-
Less: Accumulated impairment losses	(18,000)	-
At 30 November	48,000	-
	6,615,058	13,524,000

Group

The other investments are transferable golf club membership.

Impairment loss recognised

Impairment loss is provided for investment in the business of movie production due to the discontinuance of the movie production and the amount invested is not recoverable.

11. GOODWILL

	Group 2021 RM	Group 2020 RM
At 1 December 2020/2019	27,477,811	27,477,811
Acquisition of subsidiary companies	6,546,258	-
At 30 November	34,024,069	27,477,811
Less: Accumulated impairment losses		
At 1 December 2020/2019	(27,477,811)	(27,477,811)
Acquisition of subsidiary companies	(610,209)	-
	(28,088,020)	(27,477,811)
At 30 November	5,936,049	-

Group

The goodwill mainly arose from the acquisition of Ariantec, GEM Pay, SWP, SWH and MMSB. The amount of goodwill initially recognised was dependent upon the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed.

The carrying amount of the goodwill is assessed for impairment on an annual basis. The recoverable amount of the goodwill is determined based on the assessment of the value-in-use of the respective cash-generating-units, using cash flow projections on financial budgets approved by the directors for five years period. The future cash flows are based on the management's five years business plan, which is the best estimate of future performance.

Notes to the Financial Statements
- 30 November 2021

11. GOODWILL (CONTINUED)

The recoverable amounts of goodwill on consolidation of the cash-generating-units ("CGU") are determined based on the value in use calculations using the cash flow projections based on the following assumptions:

(i) Budgeted revenue - Revenue is derived based on the management's sales forecast and rental forecast taken into consideration the future economic conditions and market demand;

(ii) Budgeted gross margin - Gross margin is based on historical margin achieved and management's target margin, if any;

(iii) Growth rates - Ranged from 5% to 10%, based on the estimated market demand and customers' acceptance of the Group's goods and services; and

(iv) Pre-tax discount rate - Discount rates ranged from 6.0% to 7.18%;

The value assigned to the key assumptions which represents directors' assessment of future demand, pricing mechanism, target margin and the market pricing of the respective businesses activities based on both external sources and internal sources.

Sensitivity to changes in assumptions

The directors believe that no reasonable possible changes in any of the key assumptions above will cause the carrying values of the goodwill to materially exceed its recoverable amount.

12. INVENTORIES

	Group	
	2021 RM	**2020 RM**
At cost:		
EFTPOS terminals	-	1,081
Finished goods	12,573	1,220
	12,573	2,301
Recognised in profit or loss		
Inventories recognised as cost of sales	-	3,899

13. TRADE RECEIVABLES

	Group	
	2021 RM	**2020 RM**
Trade receivables	9,811,889	12,229,027
Less: Accumulated impairment losses	(4,560,410)	(4,241,562)
	5,251,479	7,987,465

Trade receivables are non-interest bearing and are generally on 30 to 180 days (2020: 30 to 180 days) credit terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the accumulated impairment losses are as follows:

	Group	
	2021 RM	**2020 RM**
At 1 December 2020/2019	4,241,562	4,159,073
Acquisition of subsidiary companies	222,649	-
Additions	-	221,800
Bad debts written off	-	(50,817)
Reversal	(18,452)	(22,772)
Translation differences	114,651	(65,722)
At 30 November	4,560,410	4,241,562

Notes to the Financial Statements
- 30 November 2021

13. TRADE RECEIVABLES (CONTINUED)

The foreign currency exposure profile of trade receivables is as follows:

	Group	
	2021 RM	2020 RM
RM	5,677,476	7,613,584
United States Dollar ("USD")	4,134,413	4,615,443
	9,811,889	12,229,027

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other receivables	13,103,091	11,260,476	207	444
Less: Accumulated impairment losses	-	(49,363)	-	-
	13,103,091	11,211,113	207	444
Deposits	1,714,570	2,537,706	-	-
Prepayments	485,385	5,950,029	15,158	14,986
	15,303,046	19,698,848	15,365	15,430

Group

Other receivables that are individually determined to be impaired relate to receivables that are in significant financial difficulties and have defaulted on payments and the directors are of the opinion that these are not recoverable.

Movements in the accumulated impairment losses are as follows:

	Group	
	2021 RM	2020 RM
At 1 December 2020/2019	49,363	49,363
Written off	(49,363)	-
At 30 November	-	49,363

Group

Included in deposits is an amount of RM400,000 (2020: Nil) relating to purchase of an office unit. In previous financial year, included in deposits is an amount of RM960,000 relating to purchase of a motor vehicle, and during the financial year, the purchase of the motor vehicle was cancelled and the deposits has been refunded.

Included in other receivables is an amount of RM2,905,551, the balance available for the trading of the unwrought gold.

Included in prepayment is an amount of RM170,000 (2020: RM1,139,143) paid for the rental of servers for data storage purposes.

Included in prepayment is an amount of Nil (2020: RM4,692,777) paid for the purchase of subscription of renounceable rights issue of quoted new ordinary shares in Malaysia.

The foreign currency exposure profile of other receivables, deposits and prepayments is as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other receivables				
- Hong Kong Dollar ("HKD")	4,181,536	5,482,325	-	-
- RM	773,613	865,006	207	444
- USD	2,905,551	-	-	-
- Taiwan Dollar ("TWD")	5,242,391	4,913,145	-	-
Deposits				
- RM	1,714,570	2,537,706	-	-
Prepayments				
- HKD	71,387	4,741,175	-	-
- RM	413,998	1,208,854	15,158	14,986
	15,303,046	19,748,211	15,365	15,430

Notes to the Financial Statements
- 30 November 2021

15. (CONTRACT LIABILITIES)/CONTRACT ASSETS

	Group 2021 RM	Group 2020 RM
Shown under current assets		
Deferred costs of services (a)	1,875,371	-
Shown under current liabilities		
Deferred income (b)	(2,052,275)	(343,719)

(a) Deferred costs of services

Group

These costs will be used in satisfying the performance obligation in the future and will be recognised to profit or loss upon services rendered.

(b) Deferred income

Group

Deferred income represents advance billings to customers in respect of services which are yet to be provided. The deferred income will be recognised as revenue when the related services is rendered.

Movements in the deferred income are as follows:

	Group 2021 RM	Group 2020 RM
At 1 December 2020/2019	343,719	120,752
Add: Advance billings	2,692,583	430,407
Less: Recognised in profit or loss	(987,670)	(207,440)
Translation differences	3,643	-
At 30 November	2,052,275	343,719

16. AMOUNT OWING BY SUBSIDIARY COMPANIES

	Company 2021 RM	Company 2020 RM
Amount owing by subsidiary companies	36,239,444	153,651,404
Less: Accumulated impairment losses	(36,239,444)	(153,640,804)
	-	10,600

Amount owing by subsidiary companies is non-trade in nature, unsecured, interest-free and repayable on demand.

Movements in the accumulated impairment losses are as follows:

	Company 2021 RM	Company 2020 RM
At 1 December 2020/2019	153,640,804	91,127,044
Additions	-	63,026,159
Reversal	(9,268,040)	(512,399)
Transfer to equity contribution to subsidiaries	(108,133,320)	-
At 30 November	36,239,444	153,640,804

Notes to the Financial Statements
- 30 November 2021

17. SHORT-TERM INVESTMENTS

Group and Company

The short-term investments represented investment in highly liquid money market, placed with financial institutions in Malaysia and redeemable with one (1) day notice. The distribution income from this fund was tax exempted and distributed on quarterly basis. The effective interest rate was 0.16% (2020: 0.16%) per month.

18. CASH AND BANK BALANCES

Group

The foreign currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Australian Dollar	17,253	-	-	-
Chinese Renminbi	7,809	434,846	-	-
EURO Dollar	15,283	-	-	-
Hong Kong Dollar	13,966,981	38,004	-	-
Indian Rupee	4,007	-	-	-
Indonesian Rupiah	8,593	-	-	-
Japanese Yen	12,715	-	-	-
Korean Won	1,496	-	-	-
Malaysian Ringgit	4,570,191	4,534,839	838,869	761,814
Taiwan Dollar	45,673	3,946	-	-
Philippine Pesos	3,455	-	-	-
Pound Sterling	23,419	-	-	-
Saudi Arabian Riyal	4,274	-	-	-
Singapore Dollar	10,170	-	-	-
Thai Baht	15,612	-	-	-
United Arab Emirates Dirham	616	-	-	-
United States Dollar	45,695,002	55,581,626	-	-
Vietnam Dong	1,244	-	-	-
	64,403,793	60,593,261	838,869	761,814

19. SHARE CAPITAL

	Group and Company			
	2021	2020	2021	2020
	Number of ordinary shares		RM	RM
Issued share capital:				
At 1 December 2020/2019	835,967,337	3,640,388,016	205,876,718	103,280,378
Issuance of shares pursuant to private placement	-	849,929,800	-	9,359,245
Issuance of shares pursuant to exercise of SIS	-	755,445,500	-	11,839,308
Share Consolidate	-	(5,035,932,804)	-	-
Issue of right shares	-	626,136,825	-	81,397,787
30 November	835,967,337	835,967,337	205,876,718	205,876,718

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

19. SHARE CAPITAL (CONTINUED)

In the previous financial year, the Company had issued the following:

(a) 849,929,800 new ordinary shares under Private Placement to third party investors;
(b) 755,445,500 new ordinary shares under SIS; and
(c) 626,136,825 new ordinary shares under right issue with warrants.

The newly issued shares rank pari passu in all respects with the existing ordinary shares of the Company.

20. RESERVES

		Group		Company	
		2021	2020	2021	2020
	Note	RM	RM	RM	RM
Warrant reserve	(a)	19,226,263	19,226,263	19,226,263	19,226,263
Accumulated losses		(79,987,098)	(59,194,877)	(175,555,682)	(183,893,338)
Other reserves:					
Foreign currency translation reserve	(b)	(456,933)	470,206	-	-
		(61,217,768)	(39,498,408)	(156,329,419)	(164,667,075)

(a) Warrant reserve

On 3 November 2020, the Company listed and quoted 313,068,412 free detachable warrants ("Warrants C") pursuant to the Rights Issue with Warrants exercise on the basis of three (3) Warrants for every six (6) rights shares subscribed.

The Warrants were constituted by the Deed Poll dated 18 September 2020 ("Deed Poll").

Salient features of the Warrants are as follows:

(i) Each Warrant entitles the registered holder thereof ("Warrant holder(s)") to subscribe for one (1) new ordinary share in the Company at the exercise price of RM0.13 during the 3-year period expiring on 26 October 2023 ("Exercise Period"), subject to the adjustments in accordance with the Deed Poll constituting the Warrants;

(ii) At the expiry of the Exercise Period, any Warrants have not been exercised shall automatically lapse and cease to be valid for any purpose;

(iii) The Warrant holders are not entitled to any voting rights or participation in any distribution and/or offer of securities in the Company, until and unless such holders exercise their rights into new ordinary shares; and

(iv) The new ordinary shares to be issued upon exercise of the Warrants shall, upon issue and allotment, rank pari passu in all respects with the existing ordinary shares of the Company except that they will not be entitled to dividends, rights allotments and/or distributions declared by the Company, which entitlement date thereof precedes the allotment date of the new ordinary shares to be issued pursuant to the exercise of the Warrants.

Fair value from the issuance of Warrants is credited to Warrant Reserve which is non-distributable. In arriving at the related fair value, the fair values of the Warrants was determined using the Trinomial Option pricing model.

When the Warrants are exercised or expired, the Warrant Reserve will be reversed.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the foreign subsidiary companies' financial statements in which the functional currencies are different from the Group's presentation currency.

Notes to the Financial Statements
- 30 November 2021

21. TERM LOAN

The term loan is repayable as follows:

	Group 2021 RM	Group 2020 RM
Shown under current liabilities		
Within 1 year		
- secured	2,264,807	370,253
Shown under non-current liabilities		
Between 2 to 5 years		
- secured	31,783,091	1,623,714
	34,047,898	1,993,967

The term loan from licenced bank is denominated in RM and is secured and guaranteed as follows:

(a) legal charge over the freehold and leasehold buildings of the Group as disclosed in Note 6; and

(b) an assignment over all rents and other monies under the tenancies executed and/ or to be executed with respect to the properties.

(c) pledged of 60,002 ordinary shares of RM1.00 each on the share capital of Sungei Wang Holdings Sdn. Bhd.

(d) corporate guarantee by the Company and third parties.

The term loan bears effective interest rate ranged from 4.13% to 5.45% (2020: 4.13% to 5.87%) per annum.

22. DEFERRED TAX LIABILITIES

	Group 2021 RM	Group 2020 RM
At 1 December 2020/2019	126,989	-
Acquisition of subsidiary companies	12,000	-
Realised in profit or loss *(Note 29)*	(6,000)	126,989
At 30 November	132,989	126,989

The deferred tax liabilities are in respect of taxable temporary differences arising from the qualifying property, plant and equipment's total capital allowances claimed in excess of corresponding accumulated depreciation.

23. TRADE PAYABLES

Group

Trade payables are non-interest bearing and are generally on 60 to 150 days (2020: 60 to 150 days) credit terms.

The foreign currency exposure profile of trade payables is as follows:

	Group 2021 RM	Group 2020 RM
RM	368,647	2,208,269
USD	224,174	224,147
	592,821	2,432,416

Notes to the Financial Statements
- 30 November 2021

24. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other payables	3,534,307	151,882	11,422	57,950
Accruals	451,795	188,099	98,240	92,200
Deposit received	114,277	47,400	-	-
Amount due to a director	8,443	-	-	-
	4,108,822	387,381	109,662	150,150

Amount due to a director is non-trade in nature, unsecured, interest free and repayable on demand.

The foreign currency exposure profile of other payables and accruals is as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
HKD	89,079	21,332	-	-
RM	3,999,398	366,049	109,662	150,150
TWD	12,162	-	-	-
USD	8,183	-	-	-
	4,108,822	387,381	109,662	150,150

25. LEASE LIABILITIES

The lease liabilities is repayable as follows:

Group	Future instalments payable RM	Undue interest RM	Principal payable RM
2021			
Shown under current liabilities			
Within 1 year	210,329	(8,902)	201,427
Shown under non-current liabilities			
Between 2 to 5 years	252,344	(7,005)	245,339
	462,673	(15,907)	446,766
2020			
Shown under current liabilities			
Within 1 year	59,690	(658)	59,032

Movements of lease liabilities for the financial year are as follows:

	Group 2021 RM
Total lease liabilities recognised:	
At 1 December	59,032
Additions	91,757
Accretion interest	5,881
Acquisition of subsidiary	457,882
Lease payments - principal portion	(161,905)
Interest paid	(5,881)
At 30 November	446,766

Notes to the Financial Statements
- 30 November 2021

25. LEASE LIABILITIES (CONTINUED)

Group

The lease liabilities bear effective interest rates at 3.36% to 3.52% (2020: 3.86%) per annum.

The Group as lessor

The Group had entered into lease arrangements on leasehold building.

The aggregate future minimum lease receivables as at the end of each reporting period as follow:

	Group	
	2021	**2020**
	RM	**RM**
Leasehold building		
- within 1 year	43,000	90,000
- between 2 to 5 years	-	43,000
	43,000	133,000

26. REVENUE

	Group	
	2021	**2020**
	RM	**RM**
Interest income	88,318	-
Foreign currency trading	711,813	-
Rendering of services	6,628,143	727,476
Service contracts revenue	-	12,487,500
Sales of software and hardware	4,005,449	-
Software licensing fees	288,510	1,682,464
	11,722,233	14,897,440

Segmentation of revenue

The segmentation of revenue of the Group is as follows:-

	Group	
	2021	**2020**
	RM	**RM**
Major services		
- Electronic transaction processing	46,315	133,418
- Foreign currency trading	711,813	-
- Gold trading	-	-
- Interest income	88,318	-
- Rental of EFTPOS terminals	236,541	231,640
- Sales of software and hardware	4,005,449	-
- Solutions and services	4,521,909	203,870
- Software development	-	12,487,500
- Software license	288,510	1,682,464
- Others	1,823,378	158,548
	11,722,233	14,897,440
Timing and recognition		
- At a point in time	11,102,975	12,984,003
- Over time	619,258	1,913,437
Total revenue	11,722,233	14,897,440

The revenue information based on the geographical location of customers is disclosed in *Note 33*.

Notes to the Financial Statements
- 30 November 2021

27. FINANCE COSTS

	Group	
	2021 RM	2020 RM
Interest expenses	36,529	-
Lease liabilities interest	5,881	4,699
Term loan interest	424,053	112,226
	466,463	116,925

28. (LOSS)/PROFIT BEFORE TAXATION

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
(Loss)/profit before taxation is stated after charging:				
Auditors' remuneration				
- statutory audits	194,405	147,704	80,000	80,000
- other services	8,000	88,000	8,000	88,000
Amortisation of intangible assets	1,190,983	1,225,145	-	-
Bad debts written off	49,363	14,670	-	-
Depreciation of plant and equipment	2,291,278	2,400,037	146,327	145,286
Depreciation of investment properties	261,910	56,217	-	-
Depreciation of right-of-use assets	160,035	115,809	-	-
Fair value losses on other investments	3,246,889	2,086,245	-	-
Fair value losses on short-term investments	24,183	15,714	24,183	15,714
Impairment losses on amount owing by subsidiary companies	-	-	-	63,026,159
Impairment losses on investment in subsidiary companies	-	-	-	5,584,248
Impairment losses on other investments	18,000	-	-	-
Impairment losses on intangible assets	4,285,329	8,051,784	-	-
Impairment losses on trade receivables	-	221,800	-	-
Incorporation fees	1,621	7,398	-	-
Intangible assets written off	1,023,082	19,440	-	-
Inventories written off	2,162	14,080	-	-
Loss on disposal of other investments	6,647,735	-	-	-
Loss on disposal of short-term investments	27,787	-	27,787	-
Loss on foreign exchange				
- unrealised	-	2,430,617	-	-
Plant and equipment written off	1,290	627,337	-	-
Server co location	1,274,143	962,500	-	-
Small value of assets :				
- rental of equipment	26,012	7,332	-	-
- rental of premises	426,567	134,769	-	1,000
Share-based payment expenses	-	1,677,400	-	1,677,400
Employee benefit expenses (*Note 31*)	5,557,318	5,943,724	659,736	1,971,342
and crediting:				
Dividend income	634,353	70,838	634,353	70,838
Gain on foreign exchange				
- realised	140,187	524,710	-	-
- unrealised	3,460,626	-	-	-
Interest income	856,606	1,575,977	3,578	12,591
Rental income	293,845	140,500	-	-
Reversal of impairment loss on amount owing by subsidiary companies	-	-	9,268,040	512,399
Reversal of impairment loss on trade receivables	18,452	22,772	-	-
Wages subsidy by government	28,800	29,300	-	-

29. INCOME TAX EXPENSE

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Malaysian income tax:				
- current year's provision	-	580	-	-
- under provision in respect of prior year	903	-	-	-
	903	580	-	-
Deferred tax (*Note 22*):				
- origination and reversal of temporary differences	-	126,989	-	-
- over provision in respect of prior year	(6,000)	-	-	-
	(6,000)	126,989	-	-
	(5,097)	127,569	-	-

Income tax is calculated based on the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rate prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to (loss)/profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
(Loss)/profit before taxation	(22,369,357)	(17,013,471)	8,337,656	(72,032,372)
Income tax expense at Malaysian statutory tax rate of 24% (2020: 24%)	(5,368,646)	(4,083,233)	2,001,037	(17,287,769)
• Adjustments for the following tax effects:				
- expenses not deductible for tax purposes	9,676,303	3,404,384	376,396	17,433,072
- income not subject to tax	(6,673,258)	(551,902)	(2,377,433)	(145,303)
- different tax rates in overseas subsidiary companies	-	76,596	-	-
- deferred tax assets not recognised during the financial year	2,365,601	2,257,886	-	-
- utilisation of deferred tax assets not recognised in respect of prior year	-	(976,162)	-	-
	5,368,646	4,210,802	(2,001,037)	17,287,769
• Under provision of taxation in respect of prior year	903	-	-	-
• Over provision of deferred taxation respect of prior year	(6,000)	-	-	-
	(5,097)	127,569	-	-

The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Excess of accumulated depreciation claimed over corresponding capital allowances	(14,820,506)	(14,399,460)	-	-
Unutilised capital allowances	1,320,103	448,494	-	-
Unabsorbed business losses	66,446,793	57,040,684	5,580,462	5,580,462
	52,946,390	43,089,718	5,580,462	5,580,462

Notes to the Financial Statements
- 30 November 2021

30. LOSS PER SHARE

Loss Per Share

The basic loss per ordinary share as at 30 November 2021 is arrived at by dividing the Group's loss attributable to owners of the Company by the weighted average number of ordinary shares issued and calculated as follows:

	Group	
	2021	**2020**
Loss attributable to owners of the Company (RM)	(20,792,221)	(15,870,540)
Weighted average number of ordinary shares (units)	835,967,337	4,600,942,595
Basic loss per share (Sen)	(2.49)	(0.34)

Diluted Loss Per Share

In the previous financial year, the Group has no dilution in its loss per ordinary share as there are no dilutive potential ordinary shares.

In the current financial year, the outstanding Warrants have been excluded from the computation of diluted loss per ordinary share as the exercise of Warrants to ordinary share would be anti-dilutive.

31. EMPLOYEE BENEFIT EXPENSES

The employee benefit expenses recognised in profit or loss are as follows:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Salaries, bonus, wages and allowances	3,846,174	3,529,331	352,200	106,700
Defined contribution plan	402,688	316,961	39,420	9,360
Other employee benefit	1,308,456	420,032	268,116	177,882
Share-based payment expenses	-	1,677,400	-	1,677,400
	5,557,318	5,943,724	659,736	1,971,342

Included in employee benefit expenses are directors' remuneration who are also the key management personnel of the Group and of the Company:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Directors' remuneration				
- fees	1,085,489	488,065	234,000	156,000
- other emoluments	472,179	207,969	392,543	116,983

32. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the liabilities of the Group arising from the financing activities, including both cash and non-cash changes as follows: -

	At 01.12.2020	Net Cash Flows	Non-cash Changes	At 30.11.2021
	RM	RM	RM	RM
Group				
Term loan	1,993,967	(628,551)	32,682,482	34,047,898
Lease liabilities	59,032	(161,905)	549,639	446,766

	At 01.12.2019	Net Cash Flows	Non-cash Changes	At 30.11.2020
	RM	RM	RM	RM
Group				
Term loan	2,108,043	(114,076)	-	1,993,967
Lease liabilities	-	(114,682)	173,714	59,032

33. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Directors as chief operating decision makers in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their electronic payment services and software licensing, non-electronic payment services provided, Great Experience Matters ("GEM") and others.

The Group is organised into main business segments as follows:

(a) Electronic payment services and software licensing

Involved in terminal, software licensing and other related services.

(b) 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 information technology services.

(c) GEM

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

(d) Others

Other segments comprise investment holding and dormant companies.

For the purpose of making decisions about resource allocation, the Executive Directors assess the performance of the operating segments based on operating profits or losses which is measured differently from those disclosed in the financial statements.

The Executive Directors are of the opinion that all inter-segment transactions are entered into in the normal course of business and are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

Notes to the Financial Statements
- 30 November 2021

33. OPERATING SEGMENTS (CONTINUED)

Business segments

Group 2021	Electronic payment services RM	Non-electronic payment services RM	GEM RM	Others RM	Elimination RM	Total RM
Revenue						
External revenue	1,148,391	4,005,449	6,568,393	-	-	11,722,233
Inter-company	-	-	37,630	-	(37,630)	-
Total revenue	1,148,391	4,005,449	6,606,023	-	(37,630)	11,722,233
Results						
Segment operating loss	(3,173,360)	(2,293,872)	(3,885,343)	(3,594,173)	87,063	(12,859,685)
Other operating income						7,800,647
Unallocated expenses						(16,843,856)
Finance costs						(466,463)
Loss before taxation						(22,369,357)
Income tax expense						5,097
Loss after taxation						(22,364,260)
Non-controlling interest						1,572,039
Loss attribute to owners of the Company						(20,792,221)
Assets						
Segment assets	47,534,304	9,191,125	38,708,555	85,965,991	-	181,399,975
Total assets						181,399,975
Liabilities						
Segment liabilities	870,796	5,787,073	246,284	34,344,461	-	41,248,614
Deferred tax liability						132,989
Total liabilities						41,381,603
Other information						
Amortisation of intangible assets						1,190,983
Bad debts written off						49,363
Depreciation of plant and equipment						2,291,278
Depreciation of investment properties						261,910
Depreciation of right-of-use assets						160,035
Fair value losses on other investments						3,246,889
Fair value losses on short-term investments						24,183
Impairment loss on other investments						18,000
Impairment losses on intangible assets						4,285,329
Intangible assets written off						1,023,082
Interest expenses						466,463
Inventories written off						2,162
Loss on disposal of other investments						6,647,734
Loss on disposal of short-term investments						27,787
Plant and equipment written off						1,290

Notes to the Financial Statements
- 30 November 2021

33. OPERATING SEGMENTS (CONTINUED)

Group 2020	Electronic payment services RM	Non-electronic payment services RM	GEM RM	Others RM	Elimination RM	Total RM
Revenue						
External revenue	365,058	12,487,500	2,044,882	-	-	14,897,440
Inter-company	351,105	-	7,582	-	(358,687)	-
Total revenue	716,163	12,487,500	2,052,464	-	(358,687)	14,897,440
Results						
Segment operating loss	(785,836)	4,738,221	(4,533,814)	(6,060,169)	-	(6,641,598)
Other operating income						2,473,521
Unallocated expenses						(12,728,469)
Finance costs						(116,925)
Loss before taxation						(17,013,471)
Income tax expense						(127,569)
Loss after taxation						(17,141,040)
Non-controlling interest						1,270,500
Loss attribute to owners of the Company						(15,870,540)
Assets						
Segment assets	42,671,867	29,478,789	37,388,494	58,271,589	-	167,810,739
Total assets						167,810,739
Liabilities						
Segment liabilities	234,535	2,613,923	374,090	-	-	3,222,548
Term loan						1,993,967
Deferred tax liability						126,989
Total liabilities						5,343,504
Other information						
Amortisation of intangible assets						1,225,145
Bad debts written off						14,670
Depreciation of plant and equipment						2,400,037
Depreciation of investment properties						56,217
Depreciation of right-of-use-assets						115,809
Fair value loss on other investments						2,086,245
Fair value loss on short-term investments						15,714
Impairment losses on intangible assets						8,051,784
Impairment losses on trade receivables						221,800
Intangible assets written off						19,440
Inventories written off						14,080
Loss on foreign exchange - unrealised						2,430,617
Plant and equipment written off						627,337
Share-based payment expenses						1,677,400

33. OPERATING SEGMENTS (CONTINUED)

Geographical information

Revenue information based on the geographical location of customers is as follow:

Group	Revenue 2021 RM	Revenue 2020 RM
Malaysia	11,433,723	14,897,440
Hong Kong	288,510	-
	11,722,233	14,897,440

34. RELATED PARTY DISCLOSURE

(a) Identities of related parties

(i) The Group has related party relationship with companies in which directors have financial interest and its key management personnel; and

(ii) The Company has related party relationships with its subsidiary companies and key management personnel.

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company carried out the following transactions with the related parties during the financial year as follows:

(i) *Transactions with related parties of which a director of the Company has financial interest*

	Group 2021 RM	Group 2020 RM
Purchase	2,764,545	-
Software development services	206,288	-
Sales	(53,747)	(11,500)
Service revenue	(4,164,466)	(8,979,500)
Service rendered	-	(91,878)
Rental income	(139,000)	(52,500)

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

(ii) Compensation of key management personnel

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Short-term employee benefit expenses				
Executive Directors:-				
- fees	707,433	332,065	-	-
- other emoluments	448,479	88,283	368,843	88,283
	1,155,912	420,348	368,843	88,283
Non-executive Directors:-				
- fees	378,056	156,000	234,000	156,000
- other emoluments	23,700	119,686	23,700	28,700
	401,756	275,686	257,700	184,700
	1,557,668	696,034	626,543	272,983

Notes to the Financial Statements
- 30 November 2021

35. FINANCIAL INSTRUMENTS

The Group's activities are exposed to interest rate risk, foreign currency risk, equity price risk, credit risk and liquidity and cash flows risks. The Company's activities are exposed to credit risk and liquidity and cash flows risks. The Group's and the Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and the Company's financial performance.

(a) Financial Risk Management Policies

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing their interest rate risk, foreign currency risk, equity price risk, credit risk, and liquidity and cash flows risks. The Group's and the Company's policies in respect of the major areas of treasury activities are as follows:

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policies are to obtain the most favourable interest rates available.

Interest Rate Risk Sensitivity Analysis

The interest rate risk sensitivity analysis on the fixed rate financial instruments is not disclosed as the interest-bearing financial instruments carry fixed interest rate and are measured at amortised cost.

The following table details the sensitivity analysis on the floating rate instruments to a reasonably possible change in the interest rate as at the end of the reporting year, with all other variables held constant: -

	Group	
	2021 Increase/ (decrease) RM	**2020 Increase/ (decrease) RM**
Effects on profit after taxation/equity		
Increase of 100 basis points	(258,764)	(15,154)
Decrease of 100 basis points	258,764	15,154

(ii) *Foreign Currency Risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of the Group's entities.

The currencies giving rise to this risk are primarily USD, HKD, RMB and TWD. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The net unhedged financial (liabilities)/assets of the Group that are not denominated in RM are as follows:-

	USD	
	2021 RM	**2020 RM**
Group		
Trade receivables	4,134,413	4,615,443
Other receivables, deposits and prepayments	2,905,551	-
Cash and bank balances	45,695,002	55,581,626
Trade payables	(224,147)	(224,147)
Other payables and accruals	(8,183)	-
Currency exposure	52,502,636	59,972,922

Notes to the Financial Statements
- 30 November 2021

35. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (Continued)

(ii) Foreign Currency Risk (Continued)

	HKD	
	2021 RM	**2020 RM**
Group		
Other receivables, deposits and prepayments	4,252,923	10,223,500
Cash and bank balances	13,966,981	38,004
Other payables and accruals	(89,079)	(21,332)
Currency exposure	18,130,825	10,240,172

	RMB	
	2021 RM	**2020 RM**
Group		
Cash and bank balances	7,809	434,846
Currency exposure	7,809	434,846

	TWD	
	2021 RM	**2020 RM**
Group		
Other receivables, deposits and prepayments	5,242,391	4,913,145
Cash and bank balances	45,673	3,946
Other payables and accruals	(12,162)	-
Currency exposure	5,275,902	4,917,091

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting year, with all other variables held constant:

	Group	
	2021 RM Increase/ (Decrease)	**2020 RM Increase/ (Decrease)**
Effects on loss after taxation/equity		
Strengthened by 10%		
- USD	3,990,200	4,557,942
- HKD	1,377,943	778,253
- RMB	593	33,048
- TWD	400,969	373,699
Weakened by 10%		
- USD	(3,990,200)	(4,557,942)
- HKD	(1,377,943)	(778,253)
- RMB	(593)	(33,048)
- TWD	(400,969)	(373,699)

35. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (Continued)

(iii) Equity Price Risk

The Group is exposed to equity price risk arising from its investment in quoted shares. The quoted shares in Malaysia are listed on Bursa Malaysia Securities Berhad. The Group does not have exposure to commodity price risk.

Equity Price Risk Sensitivity Analysis

A 10% (2020: 10%) increase in the market price of the quoted shares as at the end of the reporting year would have increased equity by RM656,706 (2020: RM1,352,400). A 10% (2020: 10%) decrease in market price would have had equal but opposite effect on equity.

(iv) Credit Risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group's exposure to credit risk arises principally from trade and other receivables. The Company's exposure to credit risk arises principally from advances to subsidiary companies. There are no significant changes as compared to previous financial year.

- Trade and other receivables, deposits and prepayments

  Risk management objectives, policies and processes for managing the risk

  The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties and financial institutions.

  At the end of each reporting year, the Group assesses whether any of the trade and other receivables, deposits and prepayments are credit impaired.

  The gross carrying amount of credit impaired trade and other receivables, deposits and prepayments are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not has assets or sources of income that could generate sufficient cash flows to repay the amounts that subject to write-off. Nonetheless, trade and other receivables, deposits and prepayments that are written off could still be subject to enforcement activities.

  There are no significant changes as compared to previous financial year.

  Exposure to credit risk, credit quality and collateral

  As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount in the statements of financial position as at the end of the reporting year.

  Concentration of credit risk

  The Group has no significant concentration of credit risk that may arise from exposure to a single receivable or to groups of receivables except for the amount owing by two (2020: one) major customer constituting approximately 83% (2020: 75%) of the outstanding trade receivables of the Group at the reporting date.

Notes to the Financial Statements
- 30 November 2021

35. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (Continued)

(iv) Credit Risk (Continued)

- Trade and other receivables, deposits and prepayments (Continued)

Recognition and measurement of impairment loss

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At the end of each reporting year, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

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

	Group	
	2021 RM	2020 RM
Not past due	4,829,142	1,929,020
Past due but not impaired:		
- 1 to 90 days	366,575	6,034,268
- 91 to 180 days	17,782	24,177
- more than 180 days	37,980	-
	422,337	6,058,445
Impaired	4,560,410	4,241,562
	9,811,889	12,229,027

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

Trade receivables that are past due but not impaired are unsecured in nature. They are creditworthy receivables.

At the end of the reporting year, trade receivables and other receivables, deposits and prepayments that are individually impaired were those that have defaulted in payments. These receivables are not secured by any collateral or credit enhancement.

- Advances to subsidiary companies

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to its subsidiary companies. The Company monitors the ability of the subsidiary companies to repay the advances on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk is represented by the carrying amount in the statements of financial position as at the end of the reporting year.

Advances provided are not secured by any collateral or supported by any other credit enhancements.

35. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (Continued)

(iv) Credit Risk (Continued)

- Advances to subsidiary companies (Continued)

Recognition and measurement of impairment loss

Generally, the Company considers the advances to subsidiary companies have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary company's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiary companies' advances when they are payable, the Company considers the advances to be in default when the subsidiary companies are not able to pay when demanded.

The Company considers a subsidiary company's advances to be credit impaired when the subsidiary company is unlikely to repay its advances to the Company in full or the subsidiary company is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

- Other receivables, deposits and prepayments

No impairment losses were recognised for other receivables, deposits and prepayments.

(v) Liquidity and Cash Flows Risks

Liquidity and cash flow risks are the risks that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's and the Company's exposure to liquidity and cash flows risks arise mainly from general funding and business activities. The Group and the Company practise risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following tables set out the maturity profile of the financial liabilities as at the end of the reporting year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting year):

Group 2021	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On Demand Or Within 1 Year RM	1 - 5 Years RM
Trade payables	-	592,821	592,821	592,821	-
Other payables and accruals	-	4,100,379	4,100,379	4,100,379	-
Lease liabilities	3.36	446,766	462,673	207,871	254,802
Term loan	4.13 - 5.45	34,047,898	40,082,695	4,052,604	36,030,091
		39,187,864	45,238,568	8,953,675	36,284,893
2020					
Trade payables	-	2,432,416	2,432,416	2,432,416	-
Other payables and accruals	-	387,381	387,381	387,381	-
Lease liabilities	3.86	59,032	59,690	59,690	-
Term loan	4.13 - 5.87	1,993,967	2,036,718	452,604	1,584,114
		4,872,796	4,916,205	3,332,091	1,584,114

Notes to the Financial Statements
- 30 November 2021

35. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (Continued)

(v) Liquidity and Cash Flows Risks (Continued)

Company 2021	**Weighted Average Effective Rate %**	**Carrying Amount RM**	**Contractual Undiscounted Cash Flows RM**	**On Demand Or Within 1 Year RM**
Other payables and accruals	-	109,662	109,662	109,662
2020				
Other payables and accruals	-	150,150	150,150	150,150
Contingent liabilities	-	1,993,967	1,993,967	1,993,967
		2,144,117	2,144,117	2,144,117

(b) Capital Risk Management

The Group and the Company manage their capital to ensure that the Group and the Company will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as returning of capital to shareholders or issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt for the Group and the Company are calculated as trade and other payables plus accruals plus lease liabilities and term loan less short-term investments and cash and bank balances.

The debt-to-equity ratios of the Group and of the Company as at the end of the financial year were as follows:

	Group		**Company**	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Trade payables	592,821	2,432,416	-	-
Other payables and accruals	4,100,379	387,381	109,662	150,150
Lease liabilities	446,766	59,032	-	-
Term loan	34,047,898	1,993,967	-	-
	39,187,864	4,872,796	109,662	150,150
Less: Short-term investments	(25,637,508)	(40,055,124)	(25,637,508)	(40,055,124)
Less: Cash and bank balances	(64,403,793)	(60,593,261)	(838,869)	(761,814)
	(50,853,437)	(95,775,589)	(26,366,715)	(40,666,788)
Total equity	140,018,372	162,467,235	49,547,299	41,209,643
Debt-to-equity ratio	N/A	N/A	N/A	N/A

N/A: The cash and cash equivalents of the Group and of the Company are sufficient to settle all the debts of the Group and of the Company as at the financial year end.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

35. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Classification of Financial Instruments

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Financial Assets				
Measured at FVTPL				
Other investments				
- Investment in quoted shares	6,615,058	13,524,000	-	-
Measured at amortised cost				
Trade receivables	5,251,479	7,987,465	-	-
Other receivables and deposits	14,817,661	13,748,819	15,365	15,430
Amount owing by subsidiary companies	-	-	-	10,600
Short-term investments	25,637,508	40,055,124	23,637,508	40,055,124
Cash and bank balances	64,403,793	60,593,261	838,869	761,814
	110,110,441	122,384,669	24,491,742	40,842,968

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Financial Liabilities				
Measured at amortised cost				
Trade payables	592,821	2,432,416	-	-
Other payables	4,100,379	387,381	109,662	150,150
Lease liabilities	446,766	59,032	-	-
Term loan	34,047,898	1,993,967	-	-
	39,187,864	4,872,796	109,662	150,150

(d) Fair Values of Financial Instruments

The carrying amounts of the financial assets and financial liabilities of the Group and of the Company reported in the financial statements approximated their fair values due to the relatively short term nature, except for:-

(i) the other investments of transferable golf club membership is measured at FVTPL;

(ii) the investment in quoted shares is measured at FVTPL.

(iii) short-term investments is measured at FVTPL; and

(iv) investment properties.

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature, involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

(e) Fair Value Hierarchy

The fair value measurement hierarchies used to measure assets and liabilities carried at fair value in the statements of financial position as at 30 November 2021 are as follows:

(i) Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Notes to the Financial Statements
- 30 November 2021

35. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair Value Hierarchy (Continued)

(ii) Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

(iii) Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2021				
Financial Assets				
Other investments				
- Investment in quoted shares	6,615,058	-	-	6,615,058
- Others	-	-	48,000	48,000
Short-term investments	25,637,508	-	-	25,637,508
Investment properties				
- Freehold building	-	32,800,000	-	32,800,000
- Leasehold building	-	-	5,979,806	5,979,806
	32,252,566	32,800,000	6,027,806	71,080,372
2020				
Financial Assets				
Other investments				
- Investment in quoted shares	13,524,000	-	-	13,524,000
Short-term investments	40,055,124	-	-	40,055,124
Investment properties				
- Leasehold building	-	5,800,000	-	5,800,000
	53,579,124	5,800,000	-	59,379,124

The Group and the Company do not have any financial liabilities carried at fair value nor any financial assets classified as Level 3 as at 30 November 2020.

36. COMMITMENTS

(a) Capital commitments

i) Capital commitments relate to the Group's commitments for capital expenditures on the share subscription in a subsidiary company.

	Group 2021 RM	Group 2020 RM
Approved and contracted but not provided for		
- share subscription in a subsidiary company*	37,431,074	36,168,527

* On 20 June 2018, FUTL had incorporated FFUTCL, a company incorporated in Fujian, China, with registered capital of USD8,888,880 or equivalent to RM37,431,074 at the exchange rate of USD1: RM4.2110 (2020: RM36,168,527 at the exchange rate of USD1: RM4.0690). The registered capital is required to be paid up within 30 years from its date of incorporation. To-date, no capital has been paid up.

Subsequent to financial year ended 30 November 2021 and as at the date of report, the FFUTL was strike off and this capital commitment only applicable up to date of strike off.

Notes to the Financial Statements
- 30 November 2021

36. COMMITMENTS (CONTINUED)

(a) Capital commitments (Continued)

ii) The amounts of commitments not provided for as at 30 November 2021 is as follows:

	Group	
	2021 RM	2020 RM
Approved and contracted for:		
- Purchase of property	3,600,000	-

37. CONTINGENT LIABILITES

	Company	
	2021 RM	2020 RM
Guarantees given to a financial institution for banking facilities granted to subsidiary companies	34,047,898	1,993,967

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SIGNIFICANT SUBSEQUENT EVENTS TO THE FINANCIAL YEAR

(a) On 9 November 2021, the Company announced the extension of its existing Share Issuance Scheme which is expiring on 23 November 2021 for another 5 years until 23 November 2026 in accordance with the terms of the by-laws.

(b) 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.

(c) 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.

(d) On 17 December 2021, Fujian First United Technology Co. Ltd. (“FFUTCL”), a subsidiary company has completed the process of strike off the company.

(e) 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.

(f) On 11 March 2020, the World Health Organisation declared the Coronavirus (“COVID-19”) outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order (“MCO”) starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. Subsequently, the Government of Malaysia has imposed various phases of the MCO so as to contain the pandemic in Malaysia.

The Group and the Company have performed assessments on the overall impact of the situation on the Group’s and the Company’s operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there is no material adverse effect on the financial statements for the financial year ended 30 November 2021.

Given the fluidity of the situation, the Group and the Company are unable to reasonably estimate the complete financial impacts of the Covid-19 pandemic for the financial year ended 30 November 2021 to be disclosed in the financial statements as impact assessment of the Covid-19 pandemic is a continuing process. The Group and the Company will continuously monitor the any material changes on the Group’s and the Company’s operations.

39. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 29 March 2022 by the Board of Directors.

LIST OF PROPERTIES

No.	Location	Postal address	Description	Current use	Tenure	Land area / Built-up Area	Date of acquisition	NBV as at 30 November 2021
1.	PN 89089/M2/1/47 with Accessory Parcel No. A42, Lot 53747, Pekan Baru Sungai Buloh, District of Petaling, Selangor Darul Ehsan	1-3, Street Wing, Sunsuria Avenue, Persiaran Mahogani, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.	Renovated Stratified four storey corner terraced shop office with lift	Tenanted	Leasehold, expires on 21 February 2107	990 sq. metres	13 April 2010	5,717,776
2.	Geran 11043/ M1/B1/6, Lot 1197 Section 67, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Lot LG 001-D, Sungei Wang Plaza, Jalan Sultan Ismail, 55100 Kuala Lumpur.	Retail Unit	Vacant	Freehold	218 sq. metres	03 September 2021	2,306,404
3.	Geran 11043/ M1/1/26, Lot 1197 Section 67, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Lot LG 001-2, Sungei Wang Plaza, Jalan Sultan Ismail, 55100 Kuala Lumpur.	Retail Unit	Tenanted	Freehold	109 sq. metres	03 September 2021	10,950,631
4.	Geran 11043/ M1/1/27, Lot 1197 Section 67, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Lot LG 001-1, Sungei Wang Plaza, Jalan Sultan Ismail, 551000 Kuala Lumpur.	Retail Unit	Tenanted	Freehold	98 sq. metres	03 September 2021	9,845,460
5.	Geran 11043/ M1/1/28, Lot 1197 Section 67, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Lot LG 001, Sungei Wang Plaza, Jalan Sultan Ismail, 55100 Kuala Lumpur.	Retail Unit	Tenanted	Freehold	61 sq. metres	03 September 2021	6,128,329
6.	Geran 11043/ M1/1/29, Lot 1197 Section 67, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Lot LG 001(A)&(B), Sungei Wang Plaza, Jalan Sultan Ismail, 55100 Kuala Lumpur.	Retail Unit	Vacant	Freehold	26 sq. metres	03 September 2021	2,612,053
7.	Geran 11043/ M1/5/640, Lot 1197 Section 67, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Lot T-136, Sungei Wang Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur.	Retail Unit	Tenanted	Freehold	53 sq. metres	03 September 2021	560,735

ANALYSIS OF SHAREHOLDINGS
As at 15 March 2022

Issued Share Capital	835,967,337 ordinary shares
Class of Shares	Ordinary shares
Voting Rights	One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDERS

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	966	9.50	36,906	#
100 - 1,000	1,796	17.68	886,842	0.11
1,001 - 10,000	4,229	41.63	18,587,135	2.23
10,001 - 100,000	2,696	26.54	92,372,574	11.05
100,001 to less than 5% of issued shares	467	4.60	287,342,180	34.37
5% and above of issued shares	5	0.05	436,741,700	52.24
Total	**10,159**	**100.00**	**835,967,337**	**100.00**

Note:
\# Less than 0.01%

SUBSTANTIAL SHAREHOLDERS AS AT 15 MARCH 2022
(as per the Register of Substantial Shareholders)

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Fintec Global Limited	193,990,000	23.21	-	-
Fintec Global Berhad	-	-	193,990,000	23.21[(1)]
Credit Suisse AG, Dublin Branch	47,460,200	5.68	-	-
Credit Suisse Group AG	-	-	47,460,200	5.68[(2)]

Notes:
(1) Deemed interested for the shares hold by Fintec Global Limited pursuant to Section 8 of the Companies Act 2016.
(2) Deemed interested for the shares hold by Credit Suisse AG, Dublin Branch pursuant to Section 8 of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS AS AT 15 MARCH 2022
(as per the Register of Directors' Shareholding)

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Tan Sik Eek	40,000,000	4.79	-	-
Chu Chee Peng	-	-	-	-
Yong Ket Inn	-	-	-	-
Ong Siew Min	-	-	-	-

Analysis of Shareholdings
As at 15 March 2022

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 15 MARCH 2022)

		No. of Shares	% of Shares
1.	CGS-CIMB NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (HONG KONG) LIMITED (FOREIGN CLIENT)	126,819,800	15.17
2.	AFFIN HWANG NOMINEES (ASING) SDN BHD EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)	97,270,800	11.64
3.	AFFIN HWANG NOMINEES (ASING) SDN BHD EXEMPT AN FOR LAZARUS CORPORATE FINANCE PTY LTD	96,719,200	11.57
4	CARTABAN NOMINEES (ASING) SDN BHD BARCLAYS BANK PLC (RE EQUITIES)	68,471,700	8.19
5.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE AG (DUB CLT N-TREAT)	47,460,200	5.68
6.	M & A NOMINEE (TEMPATAN) SDN BHD EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)	40,000,000	4.79
7.	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG FOR MAYBANK KIM ENG SECURITIES PTE LTD	27,500,000	3.29
8.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (IPB CLIENT ACCT)	21,803,000	2.61
9.	M & A NOMINEE (ASING) SDN BHD EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)	15,092,700	1.81
10.	CHOO KENG KIT	5,417,000	0.65
11.	LEE KIM SOON	4,735,800	0.57
12.	PIONG YON WEE	4,249,600	0.51
13.	TAN YOKE WU	3,700,000	0.44
14.	FONG SEE MUN	2,507,000	0.30
15.	TIU KEE GUAN	2,360,000	0.28
16.	CHEW CHEN HONG	2,121,800	0.25
17.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEAW WEI TAT (7000246)	2,000,000	0.24
18.	LIM SOI MOI	2,000,000	0.24
19.	LO SIEW KENG	2,000,000	0.24
20.	NG KEK CHONG	2,000,000	0.24
21.	MAYBANK NOMINEES (TEMPATAN) SDN BHD TAN KEE CHUAN	1,888,000	0.23
22.	CHOK PUI WOON	1,830,000	0.22
23.	DAREN YOON THAI ON	1,600,000	0.19
24.	CHEW HIAN BOON	1,543,000	0.19
25.	LEE GUAN HOOI	1,528,200	0.18
26.	CHONG WOEI NAN	1,500,500	0.18
27.	CHONG WOEI NAN	1,500,300	0.18
28.	CHEE SUE FEY	1,500,000	0.18
29.	RHB NOMINEES (TEMPATAN) SDN BHD RHB ASSET MANAGEMENT SDN BHD FOR POOI WENG KEONG	1,500,000	0.18
30.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YO CHIN XUE (E-TJJ)	1,317,700	0.16
	TOTAL	**589,936,300**	**70.60**

ANALYSIS OF WARRANTS C HOLDINGS
As at 15 March 2022

Type of Securities	: Warrants C
Total Number of Warrants Issued	: 313,068,412
Total Number of Outstanding Warants	: 313,068,412
Exercise Price	: RM0.13 per warrant

DISTRIBUTION OF WARRANTS C HOLDINGS

Size of Warrants C Holdings	No. of Warrants C holders	% of Warrants C holders	No. of Warrants C held	% of Warrants C held
Less than 100	38	2.02	1,903	#
100 - 1,000	106	5.65	53,887	0.02
1,001 - 10,000	571	30.44	2,838,271	0.91
10,001 - 100,000	853	45.47	33,759,141	10.78
100,001 to less than 5% of issued Warrants C	306	16.31	155,837,510	49.78
5% and above of issued Warrants C	2	0.11	120,577,700	38.51
Total	**1,876**	**100.00**	**313,068,412**	**100.00**

Note:
Less than 0.01%

DIRECTORS' WARRANT C HOLDINGS AS AT 15 MARCH 2022
(as per the Register of Directors' Warrants C Holdings)

	Direct		Indirect	
	No. of Warrants C	**%**	**No. of Warrants C**	**%**
Tan Sik Eek	-	-	-	-
Chu Chee Peng	-	-	-	-
Yong Ket Inn	-	-	-	-
Ong Siew Min	-	-	-	-

Analysis of Warrants C Holdings
As at 15 March 2022

LIST OF TOP 30 LARGEST WARRANTS C ACCOUNTS HOLDERS
(ACCORDING TO THE REGISTER OF DEPOSITORS AS AT 15 MARCH 2022)

		No. of Warrants C	% of Warrants C
1.	CGS-CIMB NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (HONG KONG) LIMITED (FOREIGN CLIENT)	87,101,600	27.82
2.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEIK YEE KOK	33,476,100	10.69
3.	CHOO KENG KIT	10,000,000	3.19
4	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIAW KOK TONG (CCTS)	9,247,200	2.95
5.	ONG CHAI HOCK	5,222,100	1.67
6.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR VINCENT PHUA CHEE EE	5,000,000	1.60
7.	POONG KAR FOO	4,000,000	1.28
8.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHOO AH NGO	3,840,000	1.23
9.	CHONG HON HWEE	3,000,000	0.96
10.	GAN XIN ZI	2,500,000	0.80
11.	ANG HUI CHAN	2,400,000	0.77
12.	LAY SOOK HWEY	2,100,000	0.67
13.	GAN SENG KEE	2,000,000	0.64
14.	GOH TYE NAN	2,000,000	0.64
15.	LIM CHENG SAN	2,000,000	0.64
16.	KONG SEE THEAN	1,800,000	0.58
17.	GAN FOO YEW	1,790,000	0.57
18.	LIM KEN HONG	1,777,400	0.57
19.	PANG JIA JING	1,732,000	0.55
20.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN KIAM HSUNG	1,500,000	0.48
21.	NG THIAN HUAT	1,500,000	0.48
22.	YEE CHEE YIN	1,500,000	0.48
23.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG HWA JAU (7002643)	1,360,000	0.43
24.	CHEW HEE NGE	1,200,000	0.38
25.	KONG YOON SING	1,200,000	0.38
26.	WONG YOKE LIN	1,200,000	0.38
27.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD NG WEE LIP	1,100,000	0.35
28.	NEO LEE KENG	1,042,000	0.33
29.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG GEOK CHOO	1,000,000	0.32
30.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH HEE CHING	1,000,000	0.32
	TOTAL	**194,588,400**	**62.15**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First (21st) Annual General Meeting of NetX Holdings Berhad ("NETX" or "the Company") will be held on a fully virtual basis and entirely via remote participation and voting from the Broadcast Venue at Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 17 May 2022 at 10.00 a.m. or any adjournment thereof, for the purpose of transacting the following businesses:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 30 November 2021 together with the Directors' and Auditors' Reports thereon. **Please refer to Explanatory Note 1**

2. To approve the payment of directors' fees and benefits of up to RM500,000 to the non-executive directors for their services from 17 May 2022 until the next annual general meeting of the Company. **Ordinary Resolution 1**

3. To re-elect the following Directors who retires pursuant to Clause 115 of the Company's Constitution :

   (a) Mr Chu Chee Peng; and **Ordinary Resolution 2**
   (b) Mr Yong Ket Inn. **Ordinary Resolution 3**

4. To re-elect Ms Ong Siew Min who retires pursuant to Clause 125 of the Company's Constitution. **Ordinary Resolution 4**

5. To re-appoint Messrs SBY Partners PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

SPECIAL BUSINESSES :

To consider and, if thought fit, to pass the following Resolution:

6. **Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act, 2016**

   "THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **Ordinary Resolution 6**

7. **Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")** **Ordinary Resolution 7**

   "THAT, subject to compliance with all applicable laws, regulations and guidelines, approval be and is hereby given to the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature with related parties as set out in Section 2.4 of the Circular to Shareholders dated 31 March 2022 for the purposes of Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), subject to the following:

   (i) the transactions are necessary for the day to day operations of the Company's subsidiary in the ordinary course of business, at arm's length, on normal commercial terms and are on terms not more favourable to the related party than those generally available to the public and not detrimental to minority shareholders of the Company;

Notice of Annual General Meeting

(ii) the mandate is subject to annual renewal. In this respect, any authority conferred by a mandate shall only continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340 (2) of the Companies Act, 2016 ("CA") (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of CA); or

(c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

(iii) disclosure is made in the annual report of the Company of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the mandate during the current financial year, and in the annual reports for the subsequent financial years during which a shareholder's mandate is in force, where:

(a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1.0 million; or

(b) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%,

whichever is the higher;

and amongst other, based on the following information:

(a) the type of the Recurrent Related Party Transactions made; and

(b) the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationships with NetX Group.

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

8. To transact any other business of the Company for which due notice shall have been given.

By order of the Board,

CHONG VOON WAH
(SSM PC No. 202008001343) (MAICSA 7055003)
THAI KIAN YAU
(SSM PC No. 202008001515) (MIA 36921)
Company Secretaries

Kuala Lumpur
31 March 2022

Notice of Annual General Meeting

Notes

1. A member entitled to attend and vote at the meeting is entitled to appoint a maximum of two (2) proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company.

2. Where a member appoints more than one proxy to attend the same meeting, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.

3. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or signed by attorney so authorised.

5. The Form of Proxy must be deposited at the Registrar Office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur or via facsimile no 03-6201 3121 or via e-mail at ir@shareworks.com.my not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.

6. For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 10 May 2022 shall be entitled to attend this meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

7. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out above will be put to vote by way of poll.

8. The AGM will be conducted fully virtual from the Broadcast Venue, the members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.

EXPLANATORY NOTES

1. Audited Financial Statements for the Financial Year Ended 30 November 2021

The Agenda No. 1 is meant for discussion only as Section 340(1) (a) of the Companies Act, 2016 provide that the audited financial statements are to be laid in the general meeting and do not require a formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolution 1 : To approve the payment of Directors' fees and benefits payable

Pursuant to Section 230(1) of the Companies Act, 2016, the fees of the directors and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The fees and benefits of the non-executive directors of the Company are as follows:

- Monthly Directors' fees; and
- Meeting and telephone allowance.

Details of the fees and benefits paid to the non-executive directors for the financial year ended 30 November 2021 are disclosed on pages 31 to 32 of the Corporate Governance Overview Statement in the 2021 Annual Report.

3. Ordinary Resolutions 2 and 4: Re-election of Directors

The following Directors are standing for re-election as Directors of the Company pursuant to the following clauses of the Company's Constitution at the Twenty-First (21^{st}) Annual General Meeting of the Company and are being eligible have offered themselves for re-election in accordance with the Company's Constitution :

(a) Mr Chu Chee Peng (Clause 115);
(b) Mr Yong Ket Inn (Clause 115); and
(c) Ms Ong Siew Min (Clause 125).

(collectively referred to as "Retiring Directors")

Notice of Annual General Meeting

The Board of Directors through the Nominating and Remuneration Committee ("NRC") has deliberated on the suitability of the Retiring Directors to be re-elected as Directors. Upon deliberation, the Board (except for the Retiring Directors who had abstained from deliberations and decisions on their own eligibility to stand for re-election at the relevant Board and Committees meetings) collectively agreed that the Retiring Directors meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors of the Company and recommended the Retiring Directors be re-elected as the Directors of the Company.

Further, the NRC has considered and affirmed, and the Board has endorsed that the Mr Chu Chee Peng and Ms Ong Siew Min, who are seeking re-election at the forthcoming Twenty-First (21st) Annual General Meeting of the Company comply with the independence criteria as prescribed in the Listing Requirements of Bursa Malaysia Securities Berhad and remained independent in exercising their judgment and in carrying out their duties as Independent Non-Executive Directors.

4. Ordinary Resolution 6: Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act, 2016

The proposed Ordinary Resolution 6, if passed, is the renewal of general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company ("General Mandate"). This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next Annual General Meeting.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions.

As at the date of this Notice, the Company has not issued any new shares pursuant to the General Mandate granted to the Directors at the Twentieth (20th) Annual General Meeting held on 5 May 2021 and which the said General Mandate will lapse at the conclusion of the Twenty-First (21st) Annual General Meeting.

5. Ordinary Resolution 7: Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 7, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Company and/or its subsidiaries, subject to the transactions being carried out in the ordinary course of business of the Company and/or its subsidiaries and on normal commercial terms which are generally available to the public and not detrimental to the minority shareholders of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next annual general meeting of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Rule 8.29 (2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at the Twenty-First (21st) Annual General Meeting.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Rule 6.04 (3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Please refer to the proposed Ordinary Resolution 6 as stated in the Notice of Twenty-First (21st) Annual General Meeting of the Company for the details.

ADMINISTRATIVE GUIDE
Twenty-First (21st) Annual General Meeting

Date	Time	Broadcast Venue
Tuesday, 17 May 2022	10.00 a.m.	Level 4, Menara Lien Hoe No. 8, Persiaran Tropicana Tropicana Golf & Country Resort 47410 Petaling Jaya, Selangor Darul Ehsan

Coronavirus Disease (Covid-19) Outbreak

1. With the outbreak of Coronavirus Disease (Covid-19) and as part of the safety measures to curb the spread of Covid-19 pandemic, the Twenty-First (21st) Annual General Meeting ("**AGM**") will be conducted by way of a fully virtual meeting and online remote voting using the Remote Participation and Voting Facilities ("**RPV Facilities**") as the safety of our members, Directors, staff and other stakeholders who will attend the AGM is of paramount importance to us.

2. Having regard to the well-being and the safety of our members, we **strongly encouraged** our members to take advantage of the RPV Facilities to participate and vote remotely at the AGM. With the RPV Facilities, you may exercise your right as a member of the Company to participate (including to pose questions to the Board of Directors ("Board") and/or management of the Company) and vote at the AGM. Alternatively, you may also appoint the Chairman of the meeting as your proxy to attend and vote on your behalf at the AGM. Details of the RPV Facilities are set out below.

Registration

3. The AGM will be held virtually. The registration is mandatory for the event. Please click the following link to register: https://rebrand.ly/NetX-AGM

4. All the Shareholders are required to register in order to participate to the AGM. The registration will be open from 10.00 a.m. on 31 March 2022 and close at 10.00 a.m. on 16 May 2022.

   Upon submission of your registration, you will receive an email to notify you that your registration has been received and is pending verification.

5. After verification of your registration against the General Meeting Record of Depositors of the Company, the system will send you an email to notify you if your registration is approved or rejected after 10 May 2022.

6. Should your registration be rejected, you can contact the Company's Share Registrar or the Company for clarifications.

7. The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS). Please follow the tutorial guide posted on https://rebrand.ly/NetX-AGM

General Meeting Records of Depositors

8. For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors of the Company as at 10 May 2022 shall be entitled to attend this meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

Individual Members

9. Individual members are strongly encouraged to take advantage of RPV Facilities to participate and vote remotely at the AGM. Please refer to the details as set out under RPV Facilities for information.

10. If an individual member is unable to attend the AGM, he/she is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Administrative Guide
Twenty-First (21st) Annual General Meeting

Corporate Members

11. Corporate members (through Corporate Representatives or appointed proxies) are also strongly advised to participate and vote remotely at the AGM using the RPV Facilities. Corporate members who wish to participate and vote remotely at the AGM must contact the Company's Share Registrar with the details set out below for assistance and will be required to provide the following documents to the Company no later than 16 May 2022 at 10.00 a.m.:

    (i) Certificate of appointment of its Corporate Representative or Form of Proxy under the seal of the corporation;
    (ii) Copy of the Corporate Representative's or proxy's MyKad (front and back)/Passport; and
    (iii) Corporate Representative's or proxy's email address and mobile phone number.

    Upon receipt of such documents, the Company's Share Registrar or the Company will respond to your remote participation request.

12. If a Corporate member (through Corporate Representative(s) or appointed proxy(ies)) is unable to attend the AGM, it is encouraged to appoint the Chairman of the meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Nominee Company Members

13. The beneficiaries of the shares under a Nominee Company's CDS account ("Nominee Company member(s)") are also strongly advised to participate and vote remotely at the AGM using RPV Facilities. Nominee Company members who wish to participate and vote remotely at the AGM can request its Nominee Company to appoint him/her as a proxy to participate and vote remotely at the AGM. Nominee Company must contact the Company's Share Registrar with the details set out below for assistance and will be required to provide the following documents to the Company no later than 16 May 2022 at 10.00 a.m.:

    (i) Form of Proxy under the seal of the Nominee Company;
    (ii) Copy of the proxy's MyKad (front and back)/Passport; and
    (iii) Proxy's email address and mobile phone number.

    Upon receipt of such documents, the Company's Share Registrar or the Company will respond to your remote participation request.

14. If a Nominee Company member is unable to attend the AGM, it is encouraged to request its Nominee Company to appoint the Chairman of the meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

Proxy

15. If a member is unable to attend the AGM, he/she may appoint a proxy or the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

16. If an individual member has submitted his/her Form of Proxy prior to the AGM and subsequently decides to personally participate in the AGM via RPV Facilities, the individual member must contact the Company's Share Registrar or the Company, whose contact details are set out in No. 20 below, to revoke the appointment of his/her proxy no later than 16 May 2022 at 10.00 a.m.

Poll Voting

17. The voting at the AGM will be conducted by way of poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed ShareWorks Sdn Bhd as the Poll Administrator to conduct the poll by way of electronic voting and SharePolls Sdn Bhd as the Scrutineers to verify the poll results. Upon completion of the voting session for the respective AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

Administrative Guide
Twenty-First (21st) Annual General Meeting

RPV Facilities

18. Please refer to the following information on RPV Facilities for live streaming and remote voting at the AGM:

Procedures		Action
Before AGM		
1.	Register as participant in Virtual AGM	• Using your computer, access the website at https://rebrand.ly/NetX-AGM Click on the Register button to register for the AGM session. • Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification. • The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS). Refer to the tutorial guide posted on the same page for assistance.
2.	Submit your online registration	• All the Shareholders are required to register prior to the meeting. The registration will be open from 10.00 a.m. on 31 March 2022 and the registration will close at 10.00 a.m. on 16 May 2022. • Clicking on the link will redirect you to the AGM event page. Click on the Register button for the online registration form. • Complete your particulars in the registration page. Your name MUST match your CDS account name (not applicable for proxy). • Insert your CDS account number and indicate the number of shares you hold. • Read and agree to the Terms & Conditions and confirm the Declarations. • Please ensure all information given is accurate before you click Submit to register your remote participation. Failure to do so will result in your registration being rejected. • System will send an email to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors of the Company as at 10 May 2022, the system will send you an email to notify you if your registration is approved or rejected after 10 May 2022. • If your registration is rejected, you can contact the Company's Share Registrar or the Company for clarifications or to appeal.
On the day of AGM		
3.	Attending Virtual AGM	• Two reminder emails will be sent to your inbox. First is one day before the AGM day, while the 2nd will be sent 1 hour before the AGM session. • Click Join Event in the reminder email to participate the RPV.
4.	Participate with live video	• You will be given a short brief about the system. • Your microphone is muted throughout the whole session. • If you have any questions for the Chairman/Board, you may use the Q&A panel to send your questions. The Chairman/Board will try to respond to relevant questions if time permits. All relevant questions will be collected throughout the session and replied later through your registered email. • The session will be recorded. • Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.
5.	Online Remote Voting	• The Chairman will announce the commencement of the Voting session and the duration allowed at the respective AGM. • The list of resolutions for voting will appear at the right-hand side of your computer screen. You are required to indicate your votes for the resolutions within the given stipulated time frame. • Click on the Submit button when you have completed. • Votes cannot be changed once it is submitted.
6.	End of remote participation	Upon the announcement by the Chairman on the closure of the AGM, the live session will end.

Administrative Guide
Twenty-First (21st) Annual General Meeting

No Recording or Photography

19. Strictly NO recording or photography of the proceedings of the AGM is allowed.

Enquiry

20. If you have any enquiry prior to the meeting, please contact the following officers during office hours from 9.00 a.m. to 5.30 p.m. (Monday to Friday):

For Registration, logging in and system related:
NetX Holdings Berhad

Name	: Ms Eris / Mr Bryan / Mr Hong
Telephone No.	: +603-7688 1013
Email	: vgm@mlabs.com

For Proxy and other matters:
ShareWorks Sdn. Bhd.

Name	: Mr Vemalan / Mr Wai Kien
Telephone No.	: +603-6201 1120
Email	: ir@shareworks.com.my

NETX HOLDINGS BERHAD
Company No. 200001030834 (533441-W)
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	No. of Shares held

I/We, ...
[Full name in block and NRIC No. / Registration No.]

Tel. No.: .... of ....
[Address]

being a member/members of NetX Holdings Berhad, hereby appoint:-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Contact No:			
Email Address:			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Contact No:			
Email Address:			

or failing him, the Chairman of the meeting as my/our proxy to attend and to vote for me/us on my/our behalf at the Twenty-First (21st) Annual General Meeting of the Company to be held on a fully virtual basis and entirely via remote participation and voting from the Broadcast Venue at Level 4, Menara Lien Hoe, No.8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 17 May 2022 at 10.00 a.m. or any adjournment thereof, and to vote as indicated below:-

No.	Agenda	Resolution	For	Against
1.	To approve the payment of Directors' fees and others benefits payable to the Directors	Ordinary Resolution 1		
2.	To re-elect Chu Chee Peng as Director	Ordinary Resolution 2		
3.	To re-elect Yong Ket Inn as Director	Ordinary Resolution 3		
4.	To re-elect Ong Siew Min as Director	Ordinary Resolution 4		
5.	To re-appoint Messrs SBY Partners PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration	Ordinary Resolution 5		
6.	To approve the authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016	Ordinary Resolution 6		
7.	To approve the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 7		

(Please indicate with a "X" in the space provided on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion)

Signed this ....

....
Signature*
Member

(if shareholder is a corporation, this form should be executed under seal)*

Notes
1. A member entitled to attend and vote at the meeting is entitled to appoint a maximum of two (2) proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company.
2. Where a member appoints more than one proxy to attend the same meeting, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or signed by attorney so authorised.
5. The Form of Proxy must be deposited at the Registrar Office of the Company at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, or via facsimile no 03-6201 3121 or via e-mail at ir@shareworks.com.my not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.
6. For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 10 May 2022 shall be entitled to attend this meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.
7. Pursuant to Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolutions set out above will be put to vote by way of poll.
8. The AGM will be conducted fully virtual from the Broadcast Venue, the members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.

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stamp

THE SHARE REGISTRAR OF

NETX HOLDINGS BERHAD

Company No. 200001030834 (533441-W)

SHAREWORKS SDN. BHD.
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur, Malaysia

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NETX HOLDINGS BERHAD
Company No. 200001030834 (533441-W)
Lot 13.2, 13th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana,
Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor.

Tel : +603-7887 8818
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