

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

	Note	***** Individual Quarter *****		***** Cumulative Quarter *****	
		Current year quarter 30 September 2015 RM'000	Preceding year corresponding quarter 30 September 2014 RM'000	Current year to date 30 September 2015 RM'000	Unaudited results corresponding period 30 September 2014 RM'000
Revenue		998	1,805	6,940	6,498
Direct Costs		<u>(789)</u>	<u>(711)</u>	<u>(1,595)</u>	<u>(1,965)</u>
Gross Profit		209	1,094	5,345	4,533
Other Income		866	296	1,352	879
Administrative and General Expenses		<u>(10,392)</u>	<u>(1,445)</u>	<u>(15,533)</u>	<u>(4,447)</u>
Operating Profit		(9,317)	(55)	(8,836)	965
Finance Costs		<u>(5)</u>	<u>(2)</u>	<u>(13)</u>	<u>(13)</u>
Profit Before Taxation	B5	(9,322)	(57)	(8,849)	952
Taxation	B6	<u>(94)</u>	<u>158</u>	<u>(411)</u>	<u>(11)</u>
Profit After Taxation		(9,416)	101	(9,260)	941
Non-Controlling Interest		<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Total comprehensive income		<u><u>(9,416)</u></u>	<u><u>101</u></u>	<u><u>(9,260)</u></u>	<u><u>943</u></u>
PROFIT ATTRIBUTABLE TO					
Equity holders of the Company		<u><u>(9,416)</u></u>	<u><u>101</u></u>	<u><u>(9,260)</u></u>	<u><u>943</u></u>
Total comprehensive income attributable to					
Equity holders of the Company		<u><u>(9,416)</u></u>	<u><u>101</u></u>	<u><u>(9,260)</u></u>	<u><u>943</u></u>
Weighted average no. of ordinary shares in issue ('000)		475,372	402,669	475,372	402,669
Earnings per share (sen) :-					
a) Basic		(1.98)	0.03	(1.95)	0.23

Note:

The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014.

MANAGEPAY SYSTEMS BERHAD (887689-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015

	Unaudited As at 30 September 2015 RM'000	Unaudited As at 30 September 2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,648	13,661
Software development	10,296	9,058
	<u>18,944</u>	<u>22,719</u>
Current assets		
Inventories	497	2,398
Trade receivables	3,525	7,311
Othes receivables, deposits and prepayment	7,565	2,868
Current tax asset	24	36
Short Term Fund	51,607	-
Fixed deposits with a licensed bank	23,174	13,673
Cash and bank balances	5,541	4,707
	<u>91,933</u>	<u>30,993</u>
Total Assets	<u><u>110,877</u></u>	<u><u>53,712</u></u>
EQUITY AND LIABILITIES		
Share capital	71,046	40,267
Share premium	41,195	6,506
Warrant reserve	-	10,067
Other reserves	-	(10,067)
Retained earnings	(4,640)	4,269
Equity Attributable To Equity Holders of the Company	<u>107,601</u>	<u>51,042</u>
Minority Interests	(2)	(1)
Total Equity	<u>107,599</u>	<u>51,041</u>
Non-current Liabilities		
Hire Purchase Payable	74	127
GST	(14)	-
Deferred tax liability	1,566	946
	<u>1,626</u>	<u>1,073</u>
Current Liabilities		
Trade payables	121	133
Other payables and accruals	1,499	1,452
Hire Purchase Payable	32	13
Current tax liabilities	-	-
	<u>1,652</u>	<u>1,598</u>
Total Liabilities	<u>3,278</u>	<u>2,671</u>
TOTAL EQUITY AND LIABILITIES	<u><u>110,877</u></u>	<u><u>53,712</u></u>
		-
Net asset per share attributable to ordinary equity holders of the Company (RM)	<u><u>0.15</u></u>	<u><u>0.13</u></u>

Note:

- (i) The net assets per share attributable to owners of company is computed based on the number of ordinary shares for the quarter and financial period respectively.
- (ii) The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014.

MANAGEPAY SYSTEMS BERHAD (887689-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015**

	Unaudited As at 30 September 2015	Unaudited As at 30 September 2014
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(8,849)	952
Adjustment for:		
Allow Software development	-	-
Amortisation of software development	889	132
Allowance for impairment	7,204	-
Depreciation of property, plant and equipment	2,305	1,997
Gain on disposal of property, plant and equipment	-	(15)
Loss on disposal of property, plant and equipment	-	-
Interest income	(718)	(376)
Interest expenses	-	-
Operating profit before changes in working capital	<u>831</u>	<u>2,690</u>
(Increase)/Decrease in inventories	(311)	(664)
(Increase)/Decrease in receivables	723	1,077
Increase/(Decrease) in payables	<u>(282)</u>	<u>740</u>
Cash used in operations	961	3,843
Interest received	718	376
Tax paid	<u>(20)</u>	<u>(104)</u>
Net cash flow used in operating activities	<u>1,659</u>	<u>4,115</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Cost incurred in software development	(1,578)	(3,785)
Proceeds from disposal of property, plant and equipment	-	62
Purchase of property, plant and equipment	<u>(1,367)</u>	<u>(3,909)</u>
Net cash flow used in investing activities	<u>(2,945)</u>	<u>(7,632)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Financing of assets through hire purchase	(25)	(24)
Proceeds from issuance of shares	<u>65,468</u>	<u>5,682</u>
Net cash generated from financing activities	<u>65,443</u>	<u>5,658</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	64,157	2,141
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	16,166	16,239
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>80,323</u>	<u>18,380</u>

Note:

The unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014.

MANAGEPAY SYSTEMS BERHAD (887689-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	WARRANT RESERVE RM'000	OTHER RESERVES RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000	MINORITY INTERESTS RM'000	TOTAL EQUITY RM'000
Balance as at 1 January 2015	40,267	6,506	10,067	(10,067)	4,620	51,393	(2)	51,391
Net profit for the financial year	-	-	-	-	(9,260)	(9,260)	-	(9,260)
Private Placement	30,779	34,689	-	-	-	65,468	-	65,468
Warrant			(10,067)	10,067		-	-	-
Balance as at 30 September 2015	<u>71,046</u>	<u>41,195</u>	<u>-</u>	<u>-</u>	<u>(4,640)</u>	<u>107,601</u>	<u>(2)</u>	<u>107,599</u>
Balance as at 1 January 2014	36,606	4,485	10,067	(10,067)	3,326	44,417	1	44,418
Net profit for the financial year	-	-	(411)	-	1,294	883	-	883
Private Placement	3,661	2,021	-	-	-	5,682	(3)	5,679
Balance as at 31 December 2014	<u>40,267</u>	<u>6,506</u>	<u>9,643</u>	<u>(10,067)</u>	<u>4,620</u>	<u>50,982</u>	<u>(2)</u>	<u>50,980</u>

Note:

The unaudited Condensed Consolidated Statements of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014.

NOTES TO THE QUARTERLY REPORT**PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134: INTERIM FINANCIAL REPORTING****A1. Accounting policies and methods of computation**

The interim financial statements for the current quarter are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the latest audited financial statements for the financial year ended 31 December 2014. These explanatory notes attached to the quarterly financial report provide an explanation on events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2014.

The Group has adopted the MFRS framework issue by MASB with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully comply with Malaysia’s existing Financial Reporting Standards (“FRS”) framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board. The transition from the previous FRSs to the new MFRSs has no impact on the Group financial position, financial performance, cash flows and the notes to the financial statements.

The Group has also adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2015. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements of the Group.

A2. Adoption of new and revised accounting policies

The accounting policies and methods of computation adopted by the Group in these condensed consolidated financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2014. The Group will adopt all new accounting standards issued by MASB upon its effective date:-

		Effective for financial periods beginning on or after
<u>New MFRSs</u>		
MFRS 9	Financial Instruments	1 Jan 2018
MFRS 15	Revenue from Contract with Customers	1 Jan 2017



A2. Adoption of new and revised accounting policies

Amendments/Improvements to MFRSs

MFRS5	Non-current Asset Held for Sales and Discontinued Operations	1 Jan 2016
MFRS 7	Financial Instruments: Disclosure	1 Jan 2016
MFRS 9	Financial Instruments	1 Jan 2018
MFRS10	Consolidated Financial Statements	1 Jan 2016
MFRS 11	Joint Arrangements	1 Jan 2016
MFRS 12	Disclosures of Interests in Other Entities	1 Jan 2016
MFRS 116	Property, Plant and Equipment	1 Jul 2014/ 1 Jan 2016
MFRS 119	Employee Benefits	1 Jul 2014/ 1 Jan 2016
MFRS 127	Separate financial statements	1 Jan 2016
MFRS 128	Investments in Associates and Joint Ventures	1 Jan 2016
MFRS 138	Intangible Assets	1 Jul 2014/ 1 Jan 2016
MFRS 141	Agriculture	1 Jan 2016

The adoption of the above standards is not expected to have any significant effects on the interim financial statements upon their initial application.

A3. Qualification on the Auditors' Report of preceding annual financial statements

There were no audit qualifications to the annual audited financial statements of the Group for the financial year ended 31 December 2014.

A4. Seasonal or cyclical factors

The business operations within the industry are not affected by seasonal and cyclical factors.

A5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter under review and financial year-to-date.

A6. Changes in estimates of amounts reported

There were no material changes in estimates of amounts reported in previous quarter that have a material effect on the result of the Group for the current quarter under review and financial year-to-date.

A7. Debt and equity securities

There were no issuances or repayment of debt or equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares for the current financial quarter under review.

A8. Dividend paid

There was no dividend paid or declared in the current financial quarter under review.

A9. Segmental information

The Group is organized into the following operating segments:

- (a) Payment Related (“Payment”)
- (b) Non Payment Related (“Non Payment”)

The segment information for the quarter ended 30 September 2015 is as follows:

Quarter ended 30 September 2015	Payment Services RM'000	Non Payment Services RM'000	Total Services RM'000
Segment Revenue	854	144	998
Direct Cost			(789)
Other unallocated income			866
Provision for impairment	(7,204)		(7,204)
Unallocated expenses			(3,188)
Finance costs			(5)
Profit / (Loss) before taxation			(9,322)
Taxation			(94)
Profit /(Loss) after taxation			(9,416)
Non Controlling interest			-
Profit /(Loss) attributable to owners of the Company			(9,416)
Segment Assets	25,799	1,676	27,475
Tax assets			20
Unallocated corporate assets			83,382
			110,877
Segment Liabilities	121	-	121
Tax liabilities			1,561
Unallocated corporate liabilities			1,596
			3,278

The segment information for the quarter ended 30 September 2014 is as follows:

Quarter ended 30 September 2014	Payment Services RM'000	Non Payment Services RM'000	Total Services RM'000
Segment Revenue	1,760	45	1,805
Other unallocated income			296
Unallocated expenses			(2,156)



Finance costs			<u>(2)</u>
Profit before taxation			(57)
Taxation			<u>158</u>
Profit after taxation			101
Non-controlling interest			-
Profit attributable to owners of the Company			<u>101</u>
Segment assets	31,705	485	32,190
Tax assets			-
Unallocated corporate assets			<u>21,486</u>
			<u>53,676</u>
Segment Liabilities	135	-	135
Tax liabilities			910
Unallocated corporate liabilities			<u>1,590</u>
			<u>2,635</u>

Information on the Group's operation by geographical segment is not provided as the Group's operation is primarily in Malaysia.

A10. Valuation of property, plant and equipment

The Group has not carried out valuation on its property, plant and equipment in the current financial quarter under review and financial year-to-date.

A11. Capital commitments

There are no material capital commitments in respect of property, plant and equipment as at 30 September 2015.

A12. Capital expenditure

There are no material capital expenditure in respect of property, plant and equipment as at 30 September 2015.

A13. Changes in the composition of the Group

On 30 October 2015, MPay has acquired 100% of the issued and paid up share capital of Managepay International Pte. Ltd. which was incorporated in Singapore. The new entity will become wholly owned subsidiary of ManagePay Systems Berhad. Other than that, there were no change in the composition of the Group for the current financial quarter under review and financial year-to-date.

A14. Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets of the Group in the current financial quarter under review and financial year-to-date.

A15. Subsequent material events

There was no material event subsequent to the end of the current financial quarter and financial year-to-date up to the date of this report that has not been reflected in the interim financial statements.

A16. Significant related party transactions

- (a) Identities of related parties
- (i) the directors who are the key management personnel; and
 - (ii) entities controlled by certain key management personnel, directors and/or substantial shareholders
- (b) In addition to balances detailed elsewhere in the financial statements, the Group carried out the following transactions with its related parties during the interim financial period:
- (i) Key management personnel

			Individual Quarter	
			Current Quarter	Preceding Year
			Corresponding	
			Quarter	
			30 September 2015	30 September 2014
			RM'000	RM'000
Rental expenses			44	44
Short term	employee	benefits	146	134

			Cumulative Quarter	
			Current Quarter	Preceding Year
			Corresponding	
			Period	
			30 September 2015	30 September 2014
			RM'000	RM'000
Rental expenses			133	133
Short term	employee	benefits	409	378

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PART B - ADDITIONAL INFORMATION REQUIRED PURSUANT TO THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of performance

MPay and its subsidiaries (“Group”) recorded a revenue of RM0.998 million in this quarter. The Group recorded a revenue of RM1.805 million in the preceding year corresponding quarter representing a reduction of RM0.807 million in the current quarter under review. This revenue difference is mainly due to the earlier completion of one of the key project in the SME segment.

On a three quarters cumulative basis the Group recorded a revenue of RM6.94 million representing an increase of RM0.442 million over the corresponding period last year. Gross profit improved to RM5.345 million compared to RM4.533 million in the corresponding 3 quarters showing an improvement of RM0.812 million or a 18% year on year growth over the same corresponding period. Gross profit margin improved to 77.1% compared to 69.8% previously.

However the Group recorded a Loss After Tax of RM9.416 million for the current financial quarter under review as compared to Profit After Tax of RM0.101 million recorded in the preceding year corresponding quarter. This is mainly attributable to the prudent adoption of a one off provision for impairment of older Chip & Sign technology related inventory and fixed asset.

The Group has started the implementation of the Chip and PIN devices and back end host application for its merchant acquisitions business during the current quarter. The adoption of the Chip and Pin initiative is mandated by Bank Negara Malaysia for a better secure technology in the payment industry, as described in a policy document titled “Payment Card Reform Framework” announced by BNM on 23rd December 2014. The framework has become fully effective on 1st July 2015.

Hence, the Group has decided to make a provision for impairment on its older Chip and Sign technology related inventory and fixed asset totaling RM7.204 million. As a corporate strategy, the Group has started promoting our payment solutions and services to countries where the payment industry still adopts the Chip and Sign technology. The Group may write back some recoverable value once this inventory is successfully rolled out to these countries.

The Group cash position and liquidity remains robust with a healthy cash equivalent balance exceeding RM80 million and zero outstanding debt. The Group balance sheet remains strong with a net asset backing of RM0.15 per share, an increase of 2 sen compared to RM0.13 per share in the corresponding 3 quarters preceding period.

2. Material changes to the results of the preceding quarter

	Current Quarter 30 September 2015 RM'000	Preceding Quarter 30 June 2015 RM'000
Revenue	998	2,640
Profit /(Loss) before taxation	(9,322)	73

Under the current financial quarter review, the Group recorded revenue of RM0.998 million, representing a reduction in revenue of RM1.642 million as compared to RM2.64 million recorded in the immediate preceding quarter. The Group’s Loss Before Tax of RM9.322 million for the current

financial quarter under review, as compared to the Profit Before Tax of RM0.073 million is largely attributable to the prudent adoption of a one off provision for older technology inventories. This is unlikely to be repeated in the next quarter.

3. Prospects of the Group

During the quarter, the Group achieved a few major milestones in relation to the Group's core competencies and capabilities, namely merchant acquisition and eMoney issuing.

On 21st July, the Group first successfully completed a 30% Private Placement exercise of which a gross proceeds of RM29,967,436.00 was received for MPay eMoney Issuer project. The Group is now taking all the necessary steps and is well in progress to roll out the MPay eMoney Issuer products namely MPay Balance, MPay MasterCard and MPay Wallet project by Q1 2016. Please refer item 7.b.(ii) Private Placement 2015: MPay Issuer Project for more information.

On 28th July, MPay launched its Chip and PIN technology solution, replacing the existing MPay Chip and Sign e-payments solutions in the market beginning 2nd half 2015. MPay is the first company in Malaysia to be certified by MyClear for Contact and Contactless Chip and Pin Host.

On 6th August, the expired MPay warrant with an exercise price of RM 0.20 convertible to MPay ordinary share achieved a high 96.98% conversion rate. As a result, the Group received an additional RM 35,500,760.00 cash proceeds from this warrant conversion exercise. The Group believe the cash injection will boost the prospects of MPay merchant acquisition business, rejuvenating our growth engine in line with the objective set by the Bank Negara Malaysia's Payment Card Reform Framework. The Framework provides a much more conducive environment for merchants to accept card payments through the wider deployment of terminals and lower cost structures. Bank Negara Malaysia intends to expand the Point-Of-Sale network by an additional 570,000 Point-Of-Sale terminals to 800,000 by year 2020, with special focus on the lower tier merchants.

Please refer item 7.b.(iii) Warrant 2012/2015: Payment Technology.

On 22 September 2015, the Group diversified into cybersecurity business by entering into a conditional share purchase agreement with Trustgate chief executive officer Lo Nyan Tjing to acquire 8.84 million shares (29.5%) in Trustgate. The acquisition will enable the Group leapfrogs into the cybersecurity business supplying certificate authority and multi-factor authentication services to financial institutions and payee organisations. Aside from providing the group with additional cybersecurity revenue source, the Group will be able to launch a trusted and proven platform for securing internet of things (IoT) devices and infrastructure in Malaysia for the near future.

On 1st October, the Group received a Letter of Award from MRCA ("Malaysia Retail Chain Association"), an appointment as the operator of the MRCA retail chains' electronic wallet (e-wallet) and cash-back loyalty card programme. The Group will be responsible for issuing, acquiring and operating the MRCA Ringgit Rewards Card, which will be powered by MPay MasterCard co-branded prepaid card. This programme will allow MPay to evolve its product offerings into a wider footprint rollout of other e-money products and virtual cards. This will increase the Group ability to have more MPay eMoney users, increase the total deposit amount i.e. the float and thus higher interest income in addition to transaction fee earnings from payment transaction facilitation.

As a corporate strategy to ramp up the Group earnings, it intends to enter into smart partnerships with various key industry players in the financial, retail, e-commerce and big data eco-system to enhance and expand the Group business revenue channels.



Hence, despite the current challenging economic situation, the Board of Directors is of the view that the Group will have a sustainable turn around by Q1 2016.

4. Profit forecast and profit estimate

The Group has not issued any profit forecast or profit estimate for the current financial quarter under review or in any public documents.

5. Profit before taxation

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30 September 2015 RM'000	Preceding Year Corresponding Quarter 30 September 2014 RM'000	Current Year-to-date 30 September 2015 RM'000	Preceding Year Corresponding Period 30 September 2014 RM'000
Interest income	(646)	(121)	(718)	(376)
Other income, excluding interest income, gain on disposal of plant and equipment and gain on foreign exchange	(98)	(158)	(494)	(485)
Depreciation & amortisation	1,090	682	3,193	2,129
Loss/(Gain) on disposal of plant and equipment	-	(16)	-	(16)
Loss/(Gain) on foreign exchange	(112)	-	(130)	7
Provision For Impairment	(7,204)	-	(7,204)	-

6. Taxation

The taxation figures are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30 September 2015 RM'000	Preceding Year Corresponding Quarter 30 September 2014 RM'000	Current Year-to-date 30 September 2015 RM'000	Preceding Year Corresponding Period 30 September 2014 RM'000
Income tax charge	(303)	-	(151)	-
Deferred taxation	397	158	562	(11)
Tax expense	94	158	411	(11)

7. Status of corporate proposal

(a) Corporate Proposal

Save as disclosed below, there are no corporate proposals announced but not completed as at the date of this announcement:

(i) Share Option Scheme (ESOS)

The Group has established an Employees' Share Option Scheme (ESOS) for eligible directors and employees of MPay and its subsidiary Companies representing up to 15% of the issued and paid-up share capital of MPay (excluding treasury shares) to be issued pursuant to the exercise of ESOS Options under the Proposed ESOS. The effective date for implementation of the ESOS has been fixed on 3 November 2014.

(ii) Proposed Acquisition of Sign Charge Sdn Bhd

On 16 May 2014, the company announced that the Company had entered into a Sale and Purchase Agreement ("SPA1") for the acquisition of 765,000 ordinary shares of RM1.00 each, representing 51% of the issued and paid-up share capital of SignCharge Sdn Bhd for a total cash consideration of RM1,000,000 subject to the terms and conditions stated in the SPA1. Please refer to the announcement dated 16 May 2014 for the detail transaction.

(iii) Proposed Acquisition of Trustgate Berhad

On 22 September 2015, the company announced that the Company had entered into a conditional Share Purchase Agreement ("SPA2") for the purchase of 8,849,997 ordinary shares of RM0.10 each in Trustgate Berhad ("Trustgate"), representing 29.50% equity interest in Trustgate for a total cash consideration of RM1,800,000.00. The proposed acquisition is pending fulfillment of the terms and conditions stated in the SPA2. Please refer to the announcement dated 23 September 2015 for the proposed acquisition.

(b) Utilisation of proceeds

(i) Private Placement 2014: eMoney Project

The Private Placement was completed on 18 June 2014. The gross proceeds received was RM5.711 million. The gross proceeds raised from the Private Placement are proposed to be utilised in the following manner:

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Estimated timeframe for utilisation	Amount Unutilised RM'000	Explanation
Capital expenditure	4,200	2,092	Within two (2) years	2,108	
Other Operating expenses	1,391	1,425	Within one (1) year	(34)	(1)
Estimated expenses in relation to the Private Placement	120	86	Within one (1) month	34	(1)
	<u>5,711</u>	<u>3,603</u>		<u>2,108</u>	



Notes:

(1) In view that the actual expenses in relation to Private Placement were lower than estimated, the excess of RM 34,000 was utilized for other operating expenditure.

(ii) Private Placement 2015: MPay Issuer Project

The Private Placement was completed on 21 July 2015. The gross proceeds received was RM29,967,436. The gross proceeds raised from the Private Placement are proposed to be utilised in the following manner:

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Estimated timeframe for utilisation	Amount Unutilised RM'000	Explanation
Capital expenditure	18,000	0	Within two (2) years	18,000	
Other Operating expenses	11,567	150	Within one (1) year	11,417	(1)
Estimated expenses in relation to the Private Placement	400	363	Within one (1) month	37	(1)
	<u>29,967</u>	<u>513</u>		<u>29,454</u>	

Notes:

(1) In view that the actual expenses in relation to Private Placement were lower than estimated, the excess of RM 37,000 will be utilized for other operating expenditure.

(iii) Warrant 2012/2015: Payment Technology

The Warrant has been removed from the Official List of Bursa Securities with effect from 7 August 2015.

Total Warrant Issued	183,031,190
Total Warrant Exercised	177,503,800
Total Warrant Unexercised	5,527,390

The warrant expired on 6 August 2015 and the exercise price is RM 0.20 per share. Total number of warrant exercised as at 6 August 2015 represents 96.98% of the total warrants issued amounting to RM 35,500,760.

The proceeds from exercise of the warrant will be utilized as follow:

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Amount Unutilised RM'000	Explanation
Capital expenditure (70%)	24,851	-	24,851	
Other Operating expenses (30%)	<u>10,650</u>	<u>113</u>	<u>10,537</u>	
	<u>35,501</u>	<u>113</u>	<u>35,388</u>	



8. Borrowings

The Group does not have any borrowings and debt securities in the current financial quarter under review.

9. Material litigation

There were no material litigations pending as at the date of issuance of this announcement.

10. Dividend

There were no dividend declared and paid during the current financial quarter under review and financial year to-date.

11. Earnings per Share

(a) Basic earnings per ordinary share

The earnings per share is calculated by dividing the profit after taxation of the Group for the period by the weighted average number of ordinary shares in issue during the financial period under review.

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30 September 2015	Preceding Year Corresponding Quarter 30 September 2014	Cumulative Year-to-date 30 September 2015	Cumulative Year-to-date 30 September 2014
Total comprehensive income attributable to owners of the Company (RM'000)	(9,416)	101	(9,260)	943
Weighted average number of ordinary shares in issue ('000)	475,372	402,669	475,372	402,669
Basic earnings per ordinary share (sen)	(1.98)	0.03	(1.95)	0.23

(b) Diluted earnings per ordinary share

There is no potential dilution for earnings per share given no outstanding warrant nor other convertible instrument.

12. Realised and unrealised profits

The breakdown of retained profits of the Group and the Company as at the reporting date, into realised and unrealised profits to the directive, is as follows:

Group	As at 30 September 2015 RM'000	As at 30 September 2014 RM'000
Total retained profits of the Group:		
- Realised	14,849	14,222
- Unrealised (in respect of deferred tax recognised in the income statement)	(1,004)	(946)
	13,845	13,276
Less: Consolidation adjustments	(9,206)	(9,007)
Total Group retained profits as per consolidated accounts	4,639	4,269

Company	As at 30 September 2015 RM'000	As at 30 September 2014 RM'000
Total accumulated loss of the Company:		
- Realised	2,843	(1,733)
- Unrealised (in respect of impairment loss on investment in subsidiary)	(6)	-
Total Company's accumulated loss as per accounts	2,837	(1,733)

13. Provision For Impairment of Assets

	Current Quarter 30 September 2015 RM'000	Preceding Year Corresponding Quarter 2014 RM'000
Provision For Impairment	7,204	-
	7,204	-

14. Other Disclosures Items to the Statement of Comprehensive Income

Save as disclosed above in the Statement of Comprehensive Income, the following items are not applicable to the Group:-

- (a) Provision for and write off of receivables;
- (b) Gain or loss on disposal of quoted or unquoted investments or properties;
- (c) Gain or loss on derivatives;
- (d) Interest expense; and
- (e) Exceptional items.



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(Company No.: 887689-D)

(Incorporated in Malaysia under the Companies Act, 1965)

15. This interim financial report is dated 30 September 2015.

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