

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2016**

	Note	***** Individual Quarter *****		***** Cumulative Quarter *****	
		Current year quarter 30 June 2016 RM'000	Preceding year corresponding quarter 30 June 2015 RM'000	Current year to date 30 June 2016 RM'000	Unaudited results corresponding period 30 June 2015 RM'000
Revenue		1,698	2,640	2,886	5,942
Direct Costs		<u>(1,059)</u>	<u>(394)</u>	<u>(1,654)</u>	<u>(806)</u>
Gross Profit		639	2,246	1,232	5,136
Other Income		782	388	1,385	486
Administrative and General Expenses		<u>(2,734)</u>	<u>(2,556)</u>	<u>(5,310)</u>	<u>(5,141)</u>
Operating Profit		(1,313)	78	(2,693)	481
Finance Costs		(5)	(5)	(12)	(8)
Share of Associate Profit/(Loss)		<u>119</u>	<u>-</u>	<u>128</u>	<u>-</u>
Profit Before Taxation	B5	(1,199)	73	(2,577)	473
Taxation	B6	<u>186</u>	<u>(19)</u>	<u>(11)</u>	<u>(317)</u>
Profit After Taxation		(1,013)	54	(2,588)	156
Non-Controlling Interest		<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
Total comprehensive income		<u><u>(1,014)</u></u>	<u><u>54</u></u>	<u><u>(2,589)</u></u>	<u><u>156</u></u>
PROFIT ATTRIBUTABLE TO					
Equity holders of the Company		<u><u>(1,014)</u></u>	<u><u>54</u></u>	<u><u>(2,589)</u></u>	<u><u>156</u></u>
Total comprehensive income attributable to					
Equity holders of the Company		<u><u>(1,014)</u></u>	<u><u>54</u></u>	<u><u>(2,589)</u></u>	<u><u>156</u></u>
Weighted average no. of ordinary shares in issue ('000)		710,466	402,687	710,466	402,687
Earnings per share (sen) :-					
a) Basic		(0.14)	0.01	(0.36)	0.04
b) Diluted		(0.14)	0.01	(0.36)	0.03

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 2015.

MANAGEPAY SYSTEMS BERHAD (887689-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Unaudited As at 30 June 2016 RM'000	Unaudited As at 30 June 2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,342	13,268
Investment in subsidiaries	3,842	-
Share of Post Acquisition Profit	128	-
Software development	10,646	9,819
	<u>22,958</u>	<u>23,087</u>
Current assets		
Inventories	1,060	3,907
Trade receivables	5,300	3,552
Others receivables, deposits and prepayment	4,521	7,554
Current tax asset	30	21
Short Term Fund	47,300	-
Fixed deposits with a licensed bank	21,908	14,843
Cash and bank balances	6,495	3,642
	<u>86,614</u>	<u>33,519</u>
Total Assets	<u>109,572</u>	<u>56,606</u>
EQUITY AND LIABILITIES		
Share capital	73,029	40,472
Share premium	41,195	6,711
Warrant reserve	-	9,954
Other reserves	-	(9,954)
ESOS Reserves	-	-
Retained earnings	(9,028)	4,777
Equity Attributable To Equity Holders of the Company	<u>105,196</u>	<u>51,960</u>
Minority Interests	(4)	(2)
Total Equity	<u>105,192</u>	<u>51,958</u>
Non-current Liabilities		
Hire Purchase Payable	62	83
Deferred tax liability	880	1,169
	<u>942</u>	<u>1,252</u>
Current Liabilities		
Trade payables	253	127
Other payables and accruals	2,795	1,920
Hire Purchase Payable	17	32
Current tax liabilities	373	1,317
	<u>3,438</u>	<u>3,396</u>
Total Liabilities	<u>4,380</u>	<u>4,648</u>
TOTAL EQUITY AND LIABILITIES	<u>109,572</u>	<u>56,606</u>
Net asset per share attributable to ordinary equity holders of the Company (RM)	<u>0.14</u>	<u>0.13</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 2015.

MANAGEPAY SYSTEMS BERHAD (887689-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2016

	As at 30 June 2016	Unaudited As at 30 June 2015
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(2,577)	473
Adjustment for:		
Amortisation of software development	598	586
Allowance for impairment of inventories	-	-
Depreciation of property, plant and equipment	647	1,518
Esos Remuneration	-	-
Unrealised gain/loss foreign exchange	205	-
Unrealised gain/loss Short Term Fund	(472)	-
Gain on disposal of property, plant and equipment	(4)	-
Interest income	(1,377)	(72)
Interest expenses	2	1
Operating profit before changes in working capital	(2,978)	2,506
(Increase)/Decrease in inventories	(441)	455
(Increase)/Decrease in receivables	4,554	707
Increase/(Decrease) in payables	868	179
Cash used in operations	2,003	3,847
Interest received	1,377	72
Interest paid	(2)	(1)
Tax paid	(88)	(27)
Net cash flow used in operating activities	3,290	3,891
CASH FLOW FROM INVESTING ACTIVITIES		
Cost incurred in software development	(1,111)	(971)
Short Term Money Market Investment	30	-
Proceeds from disposal of property, plant and equipment	(4)	-
Purchase of property, plant and equipment	(735)	(994)
Investing by top share capital	(1,982)	-
Acquisition of subsidiaries	(128)	-
Net cash flow used in investing activities	(3,930)	(1,965)
CASH FLOW FROM FINANCING ACTIVITIES		
Financing of assets through hire purchase	(8)	(17)
(Repayment to)/Advances from related companies	(2,254)	-
Proceeds from issuance of shares/Paid up Capital Increase	1,982	410
Net cash generated from financing activities	(280)	393
NET DECREASE IN CASH AND CASH EQUIVALENTS	(920)	2,319
Effect of Changes of Exchange Rate	(205)	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	29,529	16,166
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	28,404	18,485

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 2015.

MANAGEPAY SYSTEMS BERHAD (887689-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2016

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	WARRANT RESERVE RM'000	OTHER RESERVES RM'000	ESOS RESERVES RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000	MINORITY INTERESTS RM'000	TOTAL EQUITY RM'000
Balance as at 1 January 2016	71,047	41,195	-	-	-	(6,439)	105,802	(5)	105,798
Net profit for the financial year	-	-	-	-	-	(2,589)	(2,589)	1	(2,588)
Private Placement	-	-	-	-	-	-	-	-	-
Top up Share Capital	1,982	-	-	-	-	-	1,982	-	1,982
Balance as at 30 June 2016	<u>73,029</u> (0)	<u>41,195</u> (0)	<u>-</u> -	<u>-</u> -	<u>-</u> -	<u>(9,028)</u> 0	<u>105,195</u> (1)	<u>(4)</u> 0	<u>105,192</u> (0)
Balance as at 1 January 2015	40,267	6,506	10,067	(10,067)	-	4,620	51,394	(2)	51,392
Net profit for the financial year	-	-	-	-	-	-	-	-	-
Private Placement	205	205	(113)	113	-	-	410	-	410
Balance as at 30 June 2015	<u>40,472</u>	<u>6,711</u>	<u>9,954</u>	<u>(9,954)</u>	<u>-</u>	<u>4,620</u>	<u>51,804</u>	<u>(2)</u>	<u>51,802</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 2015.

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 2015. 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 2015.

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 2016. 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 2015. 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

<u>Amendments/Improvements to MFRSs</u>		
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 2015.

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 June 2016 is as follows:

Quarter ended 30 June 2016	Payment Services RM'000	Non Payment Services RM'000	Total Services RM'000
Segment Revenue	1,695	3	1,698
Direct Cost			(1,059)
Other unallocated income			781
Unallocated expenses			(2,734)
Share of Associate Loss/(Profit)			119
Finance costs			(5)
Profit / (Loss) before taxation			(1,200)
Taxation			186
Profit /(Loss) after taxation			(1,014)
Non-Controlling interest			-
Profit /(Loss) attributable to owners of the Company			(1,014)
Segment Assets	24,499	852	25,351
Tax assets			30
Unallocated corporate assets			84,196
			109,572
Segment Liabilities	262	-	262
Tax liabilities			373
Unallocated corporate liabilities			3,745
			4,380

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

Quarter ended 30 June 2015	Payment Services RM'000	Non Payment Services RM'000	Total Services RM'000
Segment Revenue	2,549	91	2,640
Direct Cost			(1,270)
Other unallocated income			388
Unallocated expenses			(1,680)

Finance costs			(5)
Profit before taxation			73
Taxation			(19)
Profit after taxation			54
Non-controlling interest			-
Profit attributable to owners of the Company			54
<hr/>			
Segment assets	37,764	658	38,422
Tax assets			21
Unallocated corporate assets			18,163
			<u>56,606</u>
<hr/>			
Segment Liabilities	128	-	128
Tax liabilities			1,317
Unallocated corporate liabilities			3,204
			<u>4,649</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 June 2016.

A12. Capital expenditure

There are no material capital expenditure in respect of property, plant and equipment as at 30 June 2016.

A13. Changes in the composition of the Group

There was no change in the composition of the Group for the current financial quarter under review.

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 June 2016 RM'000	30 June 2015 RM'000
Rental expenses	61	44
Short term employee benefits	152	146

	Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Period
	30 June 2016 RM'000	30 June 2015 RM'000
Rental expenses	122	89
Short term employee benefits	279	236

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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 revenue of RM1.698 million for the quarter ended 30 June 2016 (“current quarter”). The Group recorded revenue of RM2.640 million for the preceding year corresponding quarter, representing a reduction of RM0.942 million for the current quarter. This was mainly due to lower sales after completion of one of the key projects in the SME segment and the delay in launching of MPay eMoney services and Chip & Pin payment card acceptance project.

The Group recorded Loss Before Tax of RM1.199 million during the current quarter compared with Profit Before Tax of RM73 thousand recorded for the preceding year corresponding quarter.

The Group recorded a Loss After Tax of RM1.013 million for the current quarter compared with Profit After Tax of RM54 thousand recorded for the preceding year corresponding quarter.

The Group’s cash position and liquidity remains strong with a healthy short term fund and cash balance of about RM75.7 million.

2. Material changes to the results of the preceding quarter

	Current Quarter 30 June 2016 RM’000	Preceding Quarter 31 March 2016 RM’000
Revenue	1,698	1,188
Profit /(Loss) before taxation	(1,199)	(1,378)

For the current quarter, the Group recorded revenue of RM1.698 million, representing an increase of RM510 thousand compared with RM1.188 million recorded for the quarter ended 31 March 2016 (“preceding quarter”). The Group’s Loss Before Tax for the current quarter was RM1.199 million, compared with Loss Before Tax of RM1.378 million recorded in the preceding quarter.

3. Prospects of the Group

On 29 July 2016, the Group launched MPay Mastercard Prepaid Card which is an important milestone for the Group to engage in the card issuing business and this will contribute positively to the revenue and profit of the Group.

On 9 June 2016, the Group inked an agreement with the Malaysia Retail Chain Association (MRCA) to introduce the MPay MRCA Ringgit Rewards Card Programme and plans to launch this MRCA co-branded card to the market by end of third quarter 2016 or early fourth quarter 2016.

With the ability to issue co-branded card for MRCA members, the Group is in a strategic position to cross promote chip-and-pin payment acceptance device to MRCA members whom jointly operate about 20,000 retail outlets in shopping malls and major central business districts in Malaysia. The Group is also working closely with partnering banks such as Maybank, Bank Islam and OCBC Bank Singapore to roll out low-cost chip-and-pin pinpad for Mobile Point of Sales solution for their major account such as Insurance and FMCG sector by September 2016.

Trustgate Bhd, the national certificate authority firm, which the Group has acquired a 29.5% stake on 20 January 2016, has contributed positively to the Group for the first two quarters 2016. The Group will be able to leverage on Trustgate's sales team to promote e-payment and e-money services to their existing government agencies customers too.

The Group is making progress in achieving a sustainable multiple source of income streams in relation to the acceptance of e-payment and e-money services in Malaysia.

Premised on the above mentioned, and given the outlook of the finance industry and business aligned to the payment card reform framework advocated by Bank Negara Malaysia, the Group is well positioned to capture a substantial share of the growth of the payment industry in the coming few years.

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 June 2016	Preceding Year Corresponding Quarter 30 June 2015	Current Year-to-date 30 June 2016	Preceding Year Corresponding Period 30 June 2015
	RM'000	RM'000	RM'000	RM'000
Interest income	(782)	(50)	(1,377)	(72)
Other income, excluding interest income, gain on disposal of plant and equipment and gain on foreign exchange	(2)	(483)	(4)	(558)
Depreciation & amortisation	668	1,088	1,244	2,103
Loss/(Gain) on disposal of plant and equipment	2	-	(4)	-
Loss/(Gain) on foreign exchange	(153)	(18)	5	(19)

6. Taxation

The taxation figures are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30 June 2016 RM'000	Preceding Year Corresponding Quarter 30 June 2015 RM'000	Current Year-to-date 30 June 2016 RM'000	Preceding Year Corresponding Period 30 June 2015 RM'000
Income tax charge	(18)	(19)	40	(317)
Deferred taxation	(168)	-	(29)	-
Tax expense	(186)	(19)	11	(317)

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) Proposed Acquisition of SignCharge 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 details transaction.

(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	2915	Within two (2) years	1285	
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>4,426</u>		<u>1,285</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	397	Within two (2) years	17,603	
Other Operating expenses	11,567	4,183	Within one (1) year	7,384	(1)
Estimated expenses in relation to the Private Placement	400	363	Within one (1) month	37	(1)
	<u>29,967</u>	<u>4,943</u>		<u>25,024</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 proceeds from exercise of the warrant has been completed in August 2015 and the proceed has been 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 June 2016	Preceding Year Corresponding Quarter 30 June 2015	Cumulative Year-to-date 30 June 2016	Cumulative Year-to-date 30 June 2015
Total comprehensive Income attributable to owners of the Company (RM'000)	(1,014)	54	(2,589)	157
Weighted average number of ordinary shares in issue ('000)	710,466	402,687	710,466	402,669
Basic earnings per ordinary share (sen)	(0.14)	0.01	(0.36)	0.04

(b) Diluted earnings per ordinary share

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30 June 2016	Preceding Year Corresponding Quarter 30 June 2015	Cumulative Year-to-date 30 June 2016	Cumulative Year-to-date 30 June 2015
Total comprehensive Income attributable to owners of the Company (RM'000)	(1,014)	54	(2,589)	157
Weighted average number of ordinary shares in issue ('000)	710,466	402,687	710,466	402,687
Effect of dilution for Convertible warrants	-	115,442	-	115,442
	710,466	518,129	710,466	518,129
Diluted earnings per ordinary share (sen)	(0.14)	0.01	(0.36)	0.03

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 June 2016 RM'000	As at 30 June 2015 RM'000
Total retained profits of the Group:		
- Realised	924	5,471
- Unrealised (in respect of deferred tax recognised in the income statement)	(674)	(1,169)
	250	4,302
Less: Consolidation adjustments	(9,278)	(9,079)
Total Group retained profits as per consolidated accounts	(9,028)	(4,777)

Company	As at 30 June 2016 RM'000	As at 30 June 2015 RM'000
Total accumulated loss of the Company:		
- Realised	205	(2,316)
- Unrealised (in respect of impairment loss on investment in subsidiary)	(880)	(6)
Total Company's accumulated loss as per accounts	(675)	(2,322)

13. 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) Gain or loss on disposal of quoted or unquoted investments or properties;
- (b) Gain or loss on derivatives;
- (c) Interest expense;
- (d) Exceptional items;
- (e) Provision For Impairment;
- (f) Provision For Doubtful Debt; and
- (g) Bad Debt Write Off

14. This interim financial report is dated 26 August 2016.

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