

MANAGEPAY SYSTEMS BERHAD (887689-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017

	***** Individual Quarter *****		***** Cumulative Quarter *****		
	Note	Current year quarter 31 December 2017 RM'000	Preceding year corresponding quarter 31 December 2016 RM'000	Current year to date 31 December 2017 RM'000	Audited results corresponding period 31 December 2016 RM'000
<b>Revenue</b>		3,693	2,150	8,184	6,097
Direct Costs		<u>(1,434)</u>	<u>(907)</u>	<u>(4,487)</u>	<u>(3,540)</u>
<b>Gross Profit</b>		2,259	1,243	3,697	2,557
Other Income		447	106	2,069	2,233
Administrative and General Expenses		<u>(2,112)</u>	<u>(2,132)</u>	<u>(12,873)</u>	<u>(9,992)</u>
<b>Operating Gain / (Loss)</b>		594	(783)	(7,107)	(5,202)
Finance Costs		-	14	(2)	(3)
Share of Associate Profit		<u>(254)</u>	<u>53</u>	<u>327</u>	<u>278</u>
<b>Profit /(Loss) Before Taxation</b>	B5	340	(716)	(6,782)	(4,927)
Taxation	B6	<u>400</u>	<u>736</u>	<u>358</u>	<u>499</u>
<b>Profit/(Loss) After Taxation</b>		740	20	(6,424)	(4,428)
Exchange Different		-	(4)	-	(4)
<b>Total comprehensive Profit / (Loss)</b>		<u>740</u>	<u>16</u>	<u>(6,424)</u>	<u>(4,432)</u>
Non-Controlling Interest		<u>(57)</u>	<u>(2)</u>	<u>(77)</u>	<u>(4)</u>
<b>PROFIT/(LOSS) ATTRIBUTABLE TO Equity holders of the Company</b>		<u>797</u>	<u>18</u>	<u>(6,347)</u>	<u>(4,428)</u>
Earnings per share (sen) :-					
a) Basic		0.11	0.003	(0.89)	(0.62)

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 2016.

MANAGEPAY SYSTEMS BERHAD (887689-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017

	Unaudited As at 31 December 2017 RM'000	Audited As at 31 December 2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	16,604	11,295
Investment in associate/Subsidiaries	1,900	2,138
Share of Post Acquisition Profit	605	-
Software development	15,566	12,071
	<u>34,675</u>	<u>25,504</u>
<b>Current assets</b>		
Inventories	6,151	2,736
Trade receivables	7,676	7,401
Others receivables, deposits and prepayment	6,879	3,507
Current tax asset	539	566
Short Term Fund	38,217	41,623
Fixed deposits with a licensed bank	2,578	21,887
Cash and bank balances	3,165	3,192
	<u>65,205</u>	<u>80,912</u>
<b>Total Assets</b>	<u>99,880</u>	<u>106,416</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	71,047	71,047
Share premium	41,195	41,195
Exchange Reserves	5	(3)
Retained Loss	(17,211)	(10,864)
<b>Equity Attributable To Equity Holders of the Company</b>	<u>95,036</u>	<u>101,375</u>
Minority Interests	(86)	(9)
<b>Total Equity</b>	<u>94,950</u>	<u>101,366</u>
<b>Non-current Liabilities</b>		
Hire Purchase Payable	24	29
Deferred tax liability	28	390
	<u>52</u>	<u>419</u>
<b>Current Liabilities</b>		
Trade payables	33	213
Other payables and accruals	5,124	4,381
Hire Purchase Payable	2	37
Current tax liabilities	(281)	-
	<u>4,878</u>	<u>4,631</u>
<b>Total Liabilities</b>	<u>4,930</u>	<u>5,050</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>99,880</u>	<u>106,416</u>
	-	-
Net asset per share attributable to ordinary equity holders of the Company (RM)	<u>0.13</u>	<u>0.14</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.

MANAGEPAY SYSTEMS BERHAD (887689-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017

	As at 31 December 2017	Audited As at 31 December 2016
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	(6,782)	(4,927)
Adjustment for:		
Amortisation of software development	899	1,195
Depreciation of property, plant and equipment	2,041	1,960
(Gain)/Loss on disposal of property, plant and equipment	(83)	(6)
Impairment Loss on Receivables	(240)	-
Impairment Loss on Property, plant & equipment	-	11
Interest Income received from short term funds	(1,485)	(1,624)
Interest Income	(368)	(424)
Interest expenses	2	3
Property, Plant & Equipment Written off	19	2
Share of Associate Profit/(Loss)	(327)	(278)
Unrealised (gain)/loss foreign exchange	(182)	(159)
Operating profit/(loss) before changes in working capital	(6,506)	(4,247)
Changes in Working Capital:		
Inventories	(3,421)	(2,117)
Receivables	3,661	2,451
Payables	(992)	2,436
	(7,258)	(1,477)
Interest received	368	424
Interest Income received from short term funds	1,485	1,624
Tax paid	(378)	(966)
<b>Net Operating Cash Flows</b>	(5,783)	(395)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additional in software development	(3,494)	(2,693)
Acquisition of subsidiaries, net cash of acquired	(5,075)	-
Acquisition of Associate	(40)	(1,860)
Net changes Short Term Money Market (Investment)/Withdraw	3,406	5,646
Proceeds from disposal of property, plant and equipment	(83)	6
Purchase of property, plant and equipment	(8,225)	(5,310)
<b>Net investing cash flows</b>	(13,511)	(4,211)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest expenses	(2)	(3)
Financing of assets through hire purchase	(35)	(32)
<b>Net financing cash flows</b>	(37)	(35)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(19,331)	(4,641)
Effect of Changes of Exchange Rate	(5)	191
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	25,079	29,529
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	5,743	25,079

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 2016.

MANAGEPAY SYSTEMS BERHAD (887689-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	EXCHANGE RESERVES RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000	MINORITY INTERESTS RM'000	TOTAL EQUITY RM'000
Balance as at 1 January 2017	71,047	41,195	-	(10,864)	101,378	(9)	101,369
Net profit/(loss) for the financial year	-	-	5	(6,347)	(6,342)	(77)	(6,419)
Balance as at 31 December 2017	<u>71,047</u>	<u>41,195</u>	<u>5</u>	<u>(17,211)</u>	<u>95,036</u>	<u>(86)</u>	<u>94,950</u>
Balance as at 1 January 2016	71,047	41,195	-	(6,439)	105,803	(5)	105,798
Net profit/(loss) for the financial year	-	-	(3)	(4,425)	(4,428)	(4)	(4,432)
Balance as at 31 December 2016	<u>71,047</u>	<u>41,195</u>	<u>(3)</u>	<u>(10,864)</u>	<u>101,375</u>	<u>(9)</u>	<u>101,366</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 2016.

---

**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 2016. 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 2016.

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 2016. The Group will adopt all new accounting standards issued by MASB upon its effective date:-

		<b>Effective for financial periods beginning on or after</b>
<u>New MFRSs</u>		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contract with Customers	1 January 2018
MFRS 16	Leases	1 January 2019

**A2. Adoption of new and revised accounting policies**

MFRS 9	Financial Instruments	1 January 2018
MFRS 11	Joint Arrangements	1 January 2019
MFRS 112	Income Taxes	1 January 2019
MFRS 123	Borrowing Costs	1 January 2019
MFRS 140	Investment Property	1 January 2018

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 2016.

**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 31 December 2017 is as follows:

<b>Quarter ended 31 December 2017</b>	<b>Payment Services RM'000</b>	<b>Non Payment Services RM'000</b>	<b>Total Services RM'000</b>
Segment Revenue	3,301	392	3,693
Direct Cost			(1,434)
Other unallocated income			447
Unallocated expenses			(2,112)
Share of Associate Profit /(Loss)			(254)
Finance costs			-
Profit/(Loss) before taxation			<u>340</u>
Taxation			400
Profit/(Loss) after taxation			<u>740</u>
Non-Controlling interest			57
Profit/(Loss) attributable to owners of the Company			<u><u>797</u></u>
Segment Assets	34,070	605	34,675
Tax assets			539
Unallocated corporate assets			64,666
			<u><u>99,880</u></u>
Segment Liabilities	33	-	33
Tax liabilities			28
Unallocated corporate liabilities			4,869
			<u><u>4,930</u></u>

The segment information for the quarter ended 31 December 2016 is as follows:

<b>Quarter ended 31 December 2016</b>	<b>Payment Services RM'000</b>	<b>Non Payment Services RM'000</b>	<b>Total Services RM'000</b>
Segment Revenue	2,146	4	2,150
Direct Cost			(907)
Other unallocated income			106
Unallocated expenses			(2,132)

Share of Associate Loss/(Profit)			53
Finance costs			14
Profit/(Loss) before taxation			<u>(716)</u>
Taxation			736
Profit/(Loss) after taxation			<u>20</u>
Exchange Different			(4)
Total comprehensive Profit/(Loss)			<u>16</u>
Non-controlling interest			<u>2</u>
Profit/(Loss) attributable to owners of the Company			<u><u>18</u></u>
Segment assets	25,504	-	25,504
Tax assets			566
Unallocated corporate assets			<u>80,346</u>
			<u><u>106,416</u></u>
Segment Liabilities	213	-	213
Tax liabilities			390
Unallocated corporate liabilities			<u>4,447</u>
			<u><u>5,050</u></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 31 December 2017.

#### **A12. Capital expenditure**

There are no material capital expenditure in respect of property, plant and equipment as at 31 December 2017.

#### **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
	31 December 2017 RM'000	31 December 2016 RM'000
Rental expenses	72	69
Short term employee benefits	49	74
	Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Period
	31 December 2017 RM'000	31 December 2016 RM'000
Rental expenses	324	244
Short term employee benefits	196	314

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

**1. Review of performance**

	***** Individual Quarter *****			***** Cumulative Quarter *****		
	Current year	Preceding year	Increase / (Reduce)	Current	Audited results	Increase / (Reduce)
	quarter 31 December 2017	corresponding quarter 31 December 2016		year to date 31 December 2017	corresponding period 31 December 2016	
	RM'000	RM'000	RM'000	RM'000	RM'000	
Revenue	3,693	2,150	1,543	8,184	6,097	2,087
Operating Profit/(Loss)	594	(783)	1,377	(7,107)	(5,202)	1,905
Profit/(Loss) Before Tax	340	(716)	1,056	(6,782)	(4,927)	1,855
Profit/(Loss) After Tax	740	20	720	(6,424)	(4,428)	1,996
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	797	18	779	(6,347)	(4,428)	1,919

MPay and its subsidiaries (“Group”) recorded revenue of RM3.693 million in the quarter ended 31 December 2017 (“current quarter”) compared with the revenue of RM2.150 million in the preceding year corresponding quarter representing an increase of RM1.543 million in the current quarter under review. The increase in revenue was mainly contributed by project billing.

The group recorded Profit Before Tax of RM0.340 million during the current quarter compared to Loss Before Tax of RM0.716 million compared to preceding year corresponding quarter. The Group recorded a Profit After Tax of RM0.740 million for the current quarter under review as compared to Profit After Tax of RM0.02 million recorded in the preceding year corresponding quarter. The increase in the Profit after tax was due to the increase of the payment services revenue namely merchant acquiring business and MPay MasterCard card issuing business revenue.

The Group cash position and liquidity remains healthy with short term fund and cash balance of about RM43.96 million. The total order book as at 31 December 2017 was RM1.04 million.

**2. Material changes to the results of the preceding quarter**

	Current	Preceding	Increase /
	quarter	quarter	(Reduce)
	31 December 2017	30 September 2017	
	RM'000	RM'000	RM'000
Revenue	3,693	1,461	2,232
Operating Profit/(Loss)	594	(2,868)	3,462
Profit/(Loss) Before Tax	340	(2,730)	3,070
Profit/(Loss) After Tax	740	(2,730)	3,470
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	797	(2,711)	3,508

Under the current financial quarter review, the Group recorded revenue of RM3.693 million, representing an increase in revenue of RM2.232 million as compared to RM1.461 million recorded in the immediate preceding quarter. The increase of the revenue was mainly contributed by project billing. The Group's Profit Before Tax for the current quarter under review was RM0.340 million, as compared to the Loss Before Tax of RM2.73 million recorded in the immediate preceding quarter. The increase in the Profit after tax was due to the increase of the payment services revenue namely merchant acquiring business and MPay MasterCard card issuing business revenue.

### **3. Prospects of the Group**

Continuing our Group's impressive track record securing operating licences from authority and adding new financial services capabilities over the last five years, MPay is pleased to add two new business capabilities awarded by Ministry of Urban Wellbeing, Housing And Local Government ("MHLG") and Ministry of International Trade and Industry ("MITI") via the award of Money Lending Business License and installation of MPay B2B2C eCommerce Platform BuyMalaysia.com as MATRADE eTRADE Programme respectively.

ManagePay Resources Sdn Bhd ("MRSB"), a wholly-owned subsidiary of MPay had on 19 January 2018 received a Letter of Approval dated 17 January 2018 ("LOA") from the Moneylenders and Pawnbrokers Division of MHLG". The LOA confirmed that MRSB had fulfilled the conditions as specified in the earlier letter of approval dated 12 May 2017 to ManagePay Services Sdn Bhd ("MPSB") and vide the LOA granted the approval to MRSB to operate money lending business.

As a result, MPay Group is now able to operate the money lending business targeting both individuals and businesses. The MPay's Quickash Peer-to-Peer (P2P) financing platform launched last September is open for businesses and companies only, not for individuals. With this new added direct lending capability to individuals, which MPay Group targets to launch in April 2018, we are confident lending business will contribute to both top line and bottom line of the Company in the year 2018.

On the other hand, ManagePay Marketing Sdn Bhd ("MPay Marketing) a wholly-owned subsidiary of MPay had on 26 December 2017 accepted a Letter of Offer ("Letter of Offer") from MATRADE dated 22 December 2017 to provide services through MPay's e-marketplace platform BuyMalaysia.com to Malaysian SMEs.

With the installation of BuyMalaysia.com into the MATRADE eTRADE Programme, the Board foresees that BuyMalaysia.com can become the driving force for all qualified Malaysian businesses, companies and brands to gain worldwide market exposure, access and create or increase export revenue for their products and services.

Premised on the above mentioned, and given the outlook of the finance industry and business aligned to the payment card reform framework advocated by BNM and Securities Commission Malaysia, the Group is well positioned to capture a substantial share of the growth in the payment industry in the coming 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 31 December 2017	Preceding Year Corresponding Quarter 31 December 2016	Current Year-to-date 31 December 2017	Preceding Year Corresponding Period 31 December 2016
	RM'000	RM'000	RM'000	RM'000
Interest income	(359)	(29)	(1,853)	(2,048)
Other income, excluding interest income, gain on disposal of plant and equipment and gain on foreign exchange		97		(101)
Depreciation & amortisation	144	1,266	2,940	3,155
Loss/(Gain) on disposal of plant and equipment	(4)	(1)	(83)	(6)
Loss/(Gain) on foreign exchange	(174)	(313)	(182)	(159)

**6. Taxation**

The taxation figures are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31 December 2017	Preceding Year Corresponding Quarter 31 December 2016	Current Year-to-date 31 December 2017	Preceding Year Corresponding Period 31 December 2016
	RM'000	RM'000	RM'000	RM'000
Income tax charge	400	178	358	116
Deferred taxation	-	558		383
Tax expense	400	736	358	499

**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:

**(b) Utilisation of proceeds**

**i) Private Placement 2015: MPay Issuer Project**

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

PURPOSE	Proposed Utilisation	Actual Utilisation	Intended Timeframe for utilisation	Deviation		Explanation (if deviation is 5% or more)
	RM'000	RM'000	Within	RM'000	%	
(a) Capital Expenditure	18,000	1,005	within 2 Years	16,995	94%	The Research & Development is in work in progress
(b) Other Operating Expenditure	11,567	10,450	within 1 Year	1,117	10%	The Research & Development is in work in progress
(c) Estimated expenses in relation to Private Placement	400	363	within 1 month	37	9%	The Research & Development is in work in progress
	<u>29,967</u>	<u>11,818</u>		<u>18,149</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.

**(ii) Warrant 2012/2015: Payment Technology**

The proceeds from exercise of the warrant have been completed in August 2015 and the proceed has been utilized as follow:

PURPOSE	Proposed Utilisation	Actual Utilisation	Intended Timeframe for utilisation	Deviation		Explanation (if deviation is 5% or more)
	RM'000	RM'000	Within	RM'000	%	
(a) Capital Expenditure	24,851	3,538	within 2 Years	21,313	86%	The Research & Development is in work in progress
(b) Other Operating Expenditure	10,650	1,279	within 1 Year	9,371	88%	The Research & Development is in work in progress
	<u>35,501</u>	<u>4,817</u>		<u>30,684</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 31 December 2017	Preceding Year Corresponding Quarter 31 December 2016	Cumulative Year-to-date 31 December 2017	Cumulative Year-to-date 31 December 2016
Total comprehensive Income attributable to owners of the Company (RM'000)	797	18	(6,347)	(4,428)
Weighted average number of ordinary shares in issue ('000)	710,466	710,466	710,466	710,466
Basic earnings per ordinary share (sen)	0.11	0.003	(0.89)	(0.62)

### (b) Diluted earnings per ordinary share

There is no potential dilution for earnings per share given no outstanding warrant or 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 31 December 2017 RM'000	As at 31 December 2016 RM'000
Total retained profits/ (loss) of the Group:		
- Realised	(17,033)	(6,743)
- Unrealised (in respect of deferred tax recognised in the income statement)	(178)	(562)
	<u>(17,211)</u>	<u>(7,305)</u>
Less: Consolidation adjustments	-	(3,559)
Total Group retained profits / (loss) as per consolidated accounts	<u>(17,211)</u>	<u>(10,864)</u>

Company	As at 31 December 2017 RM'000	As at 31 December 2016 RM'000
Total accumulated loss of the Company:		
- Realised	(9,510)	(8,933)
- Unrealised (in respect of impairment loss on investment in subsidiary)	(39)	(5)
Total Company's accumulated loss as per accounts	(9,549)	(8,938)

**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 February 2018.**

**THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK**