

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2019**

	***** Individual Quarter *****		***** Cumulative Quarter *****		
	Note	Current year quarter 30 June 2019 RM'000	Preceding year corresponding quarter 30 June 2018 RM'000	Current year to date 30 June 2019 RM'000	Unaudited results corresponding period 30 June 2018 RM'000
<b>Revenue</b>		3,556	2,993	7,664	5,781
Direct Costs		<u>(2,899)</u>	<u>(809)</u>	<u>(4,575)</u>	<u>(2,847)</u>
<b>Gross Profit</b>		657	2,184	3,089	2,934
Other Income		412	440	687	639
Administrative and General Expenses		<u>(4,571)</u>	<u>(4,067)</u>	<u>(8,938)</u>	<u>(7,458)</u>
<b>Operating Gain / (Loss)</b>		(3,502)	(1,443)	(5,162)	(3,885)
Finance Costs		(3)	(4)	(6)	(8)
Share of Associate Profit		<u>396</u>	<u>(342)</u>	<u>399</u>	<u>(303)</u>
<b>Profit/(Loss) Before Taxation</b>	B5	(3,109)	(1,789)	(4,769)	(4,196)
Taxation	B6	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Profit/(Loss) After Taxation</b>		(3,109)	(1,789)	(4,769)	(4,196)
Exchange Different		-	-	-	-
<b>Total comprehensive Profit / (Loss)</b>		<u>(3,109)</u>	<u>(1,789)</u>	<u>(4,769)</u>	<u>(4,196)</u>
Non-Controlling Interest		<u>(68)</u>	<u>(37)</u>	<u>(77)</u>	<u>(67)</u>
<b>PROFIT/(LOSS) ATTRIBUTABLE TO Equity holders of the Company</b>		<u><u>(3,041)</u></u>	<u><u>(1,752)</u></u>	<u><u>(4,692)</u></u>	<u><u>(4,129)</u></u>
Earnings per share (sen) :-					
a) Basic		(0.43)	(0.25)	(0.66)	(0.58)

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 2018.

MANAGEPAY SYSTEMS BERHAD (887689-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2019

	Unaudited As at 30 June 2019 RM'000	Audited As at 31 December 2018 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	20,748	20,474
Investment in associate/Subsidiaries	1,860	1,860
Share of Post Acquisition Profit	1,411	1,012
Software development	19,124	18,103
	<u>43,143</u>	<u>41,449</u>
<b>Current assets</b>		
Inventories	9,943	9,768
Trade receivables	9,587	8,885
Others receivables, deposits and prepayment	4,852	3,998
Current tax asset	372	586
Short Term Fund	14,684	17,644
Fixed deposits with a licensed bank	4,344	3,981
Cash and bank balances	3,059	6,043
	<u>46,841</u>	<u>50,905</u>
<b>Total Assets</b>	<u><u>89,984</u></u>	<u><u>92,354</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	112,241	112,241
Exchange Reserves	(1)	18
Accumulated Losses	(30,521)	(25,829)
<b>Equity Attributable To Equity Holders of the Company</b>	<u>81,719</u>	<u>86,430</u>
Non-controlling interest	(266)	(189)
<b>Total Equity</b>	<u>81,453</u>	<u>86,241</u>
<b>Non-current Liabilities</b>		
Other Payable	-	-
Deferred tax liabilities	109	109
	<u>109</u>	<u>109</u>
<b>Current Liabilities</b>		
Trade payables	83	18
Other payables and accruals	8,339	5,986
	<u>8,422</u>	<u>6,004</u>
<b>Total Liabilities</b>	<u>8,531</u>	<u>6,113</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>89,984</u></u>	<u><u>92,354</u></u>
Net asset per share attributable to ordinary equity holders of the Company (RM)	<u><u>0.13</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.

**MANAGEPAY SYSTEMS BERHAD (887689-D)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2019**

	<b>As at 30 June 2019</b>	<b>Unaudited As at 30 June 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	(4,769)	(4,196)
Adjustment for:		
Amortisation of software development	2,297	1,398
Depreciation of property, plant and equipment	2,102	1,911
(Gain)/Loss on disposal of property, plant and equipment	(72)	(7)
Impairment Loss on Receivables	78	340
Interest Income received from short term funds	(313)	(544)
Interest Income	(114)	(57)
Interest expenses	6	8
Share of Associate Profit/(Loss)	(399)	303
Unrealised (gain)/loss foreign exchange	(141)	(10)
Operating profit/(loss) before changes in working capital	<u>(1,325)</u>	<u>(854)</u>
Inventories	(175)	(3,240)
Receivables	(1,510)	2,454
Payables	2,416	4,107
Changes in Working Capital	<u>(594)</u>	<u>2,467</u>
Interest received	114	57
Interest Income received from short term funds	313	544
Tax refund/(Tax paid)	214	(207)
<b>Net Operating Cash Flows</b>	<u>47</u>	<u>2,861</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additional in software development	(3,318)	(2,626)
Proceeds from disposal of property, plant and equipment	93	16
Purchase of property, plant and equipment	(2,397)	(6,595)
<b>Net investing cash flows</b>	<u>(5,622)</u>	<u>(9,205)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest expenses	(6)	(8)
Repayment of hire purchase	-	(20)
<b>Net financing cash flows</b>	<u>(6)</u>	<u>(28)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(5,581)	(6,372)
Effect of Changes of Exchange Rate	-	-
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>27,668</u>	<u>43,972</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u><u>22,087</u></u>	<u><u>37,600</u></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 2018.

MANAGEPAY SYSTEMS BERHAD (887689-D)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2019

	Share Capital RM'000	Exchange reserves RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2019	112,241	18	(25,829)	86,430	(189)	86,241
Net profit/(loss) for the financial year	-	(19)	(4,692)	(4,711)	(77)	(4,788)
Balance as at 30 June 2019	<u>112,241</u>	<u>(1)</u>	<u>(30,521)</u>	<u>81,719</u>	<u>(266)</u>	<u>81,453</u>
Balance as at 1 January 2018	112,241	5	(17,223)	95,023	(6)	95,017
Loss for the financial year	-	-	(8,606)	(8,606)	(183)	(8,789)
Other comprehensive income for the financial year	-	13	-	13	-	13
Balance as at 31 December 2018	<u>112,241</u>	<u>18</u>	<u>(25,829)</u>	<u>86,430</u>	<u>(189)</u>	<u>86,241</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 2018.

**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 2018. 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 2018.

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 2018. 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 2018. The Group has adopted all new accounting standards issued by MASB upon its effective date. The significant accounting policies is as follow: -

	<b>Effective for financial periods beginning on or after</b>
<u>New MFRSs</u>	
MFRS 16      Leases	1 January 2019

The adoption of the above standards do not have any significant effects on the interim financial statements.

**NOTES TO THE QUARTERLY REPORT (CONTINUED)**

**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 2018.

**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.

**NOTES TO THE QUARTERLY REPORT (CONTINUED)**

**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 2019 is as follows:

<b>Quarter ended 30 June 2019</b>	<b>Payment Services RM'000</b>	<b>Non Payment Services RM'000</b>	<b>Total Services RM'000</b>
Segment Revenue	2,348	1,208	3,556
Direct Cost			(2,899)
Other unallocated income			412
Administrative and General Expenses			(4,571)
Share of Associate Profit /(Loss)			396
Finance costs			(3)
Profit/(Loss) before taxation			(3,109)
Taxation			-
Profit/(Loss) after taxation			(3,109)
Non-Controlling interest			68
Profit/(Loss) attributable to owners of the Company			(3,041)
Segment Assets	39,872	3,271	43,143
Tax assets			372
Unallocated corporate assets			46,469
			89,984
Segment Liabilities	83	-	83
Tax liabilities			109
Unallocated corporate liabilities			8,339
			8,531

**NOTES TO THE QUARTERLY REPORT (CONTINUED)**

**A9. Segmental information (Continued)**

The segment information for the quarter ended 30 June 2018 is as follows:

<b>Quarter ended 30 June 2018</b>	<b>Payment Services RM'000</b>	<b>Non Payment Services RM'000</b>	<b>Total Services RM'000</b>
Segment Revenue	2,614	379	2,993
Direct Cost			(809)
Other unallocated income			440
Administrative and General Expenses			(4,067)
Share of Associate Loss/(Profit)			(342)
Finance costs			(4)
Profit/(Loss) before taxation			(1,789)
Taxation			-
Profit/(Loss) after taxation			(1,789)
Exchange different			-
Non-controlling interest			37
Profit/(Loss) attributable to owners of the Company			(1,752)
Segment assets	38,073	2,258	40,331
Tax assets			1,027
Unallocated corporate assets			58,761
			100,119
Segment Liabilities	260	-	260
Tax liabilities			28
Unallocated corporate liabilities			9,010
			9,298

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 2019.



**NOTES TO THE QUARTERLY REPORT (CONTINUED)**

**A12. Capital expenditure**

There are no material capital expenditure in respect of property, plant and equipment as at 30 June 2019.

**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

**NOTES TO THE QUARTERLY REPORT (CONTINUED)**

**A16. Significant related party transactions (Continued)**

(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

	<b>Individual Quarter</b>	
	<b>Current Quarter</b>	<b>Preceding Year Corresponding Quarter</b>
	<b>30 June 2019 RM'000</b>	<b>30 June 2018 RM'000</b>
Rental expenses	69	69
Short term employee benefits	169	162

	<b>Cumulative Quarter</b>	
	<b>Current Quarter</b>	<b>Preceding Year Corresponding Period</b>
	<b>30 June 2019 RM'000</b>	<b>30 June 2018 RM'000</b>
Rental expenses	138	138
Short term employee benefits	310	299

**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 quarter 30 June 2019  RM'000	Preceding year corresponding quarter 30 June 2018  RM'000	Increase/ (Reduce)  RM'000	Current year to date 30 June 2019  RM'000	Preceding year corresponding period 30 June 2018  RM'000	Increase/ (Reduce)  RM'000
Revenue	3,556	2,993	563	7,664	5,781	1,883
Operating Profit/(Loss)	(3,502)	(1,443)	(2,059)	(5,162)	(3,885)	(1,277)
Profit/(Loss) Before Tax	(3,109)	(1,789)	(1,320)	(4,769)	(4,196)	(573)
Profit/(Loss) After Tax	(3,109)	(1,789)	(1,320)	(4,769)	(4,196)	(573)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(3,041)	(1,752)	(1,289)	(4,692)	(4,129)	(563)

MPay and its subsidiaries (“Group”) recorded revenue of RM3.556 million in the quarter ended 30 June 2019 (“current quarter”) compared with the revenue of RM2.993 million in the preceding year corresponding quarter representing an increase of RM0.563 million in the current quarter under review. The increase in revenue was due to the increase in payment revenue, inclusive of terminal rental income and MDR income derive from the increase in number of terminals approximately by 2,800 units which was contributed by corporate clients and bank as third party acquirer and issuer business.

The Group Q2 2019 recorded a Loss After Tax of RM3.109 million as compared to RM1.789 million recorded in preceding year’s corresponding quarter. The increase in loss after tax was mainly due to increase in Direct Cost from RM0.809 million to RM2.899 million in Q2 2019 for the following one-off set up cost the Group have incurred:

- One-off set up cost of RM1.1 million in Singapore for 2,800 units payment terminals roll up.
- One-off set up cost of RM0.4 million for a hyper market virtual terminal integration expense and MasterCard Biometric authentication project.

The Group cash position and liquidity remains healthy with short term fund and cash balance of about RM22.087 million. The total order book and contract received as at 30 June 2019 was RM0.613 million.

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

	***** Individual Quarter *****		
	Current quarter 30 June 2019	Preceding quarter 31 March 2019	Increase / (Reduce)
	RM'000	RM'000	RM'000
Revenue	3,556	4,108	(552)
Operating Profit/(Loss)	(3,502)	(1,659)	(1,843)
Profit /(Loss) Before Tax	(3,109)	(1,659)	(1,450)
Profit/(Loss) After Tax	(3,109)	(1,659)	(1,450)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(3,041)	(1,651)	(1,390)

MPay and its subsidiaries (“Group”) recorded revenue of RM3.556 million in the quarter ended 30 June 2019 (“current quarter”) compared with the revenue of RM4.108 million in the immediate preceding quarter representing a decrease of RM0.552 million in the current quarter under review.

The Group recorded Loss Before Tax of RM3.109 million during the current quarter compared to Loss Before Tax of RM1.659 million compared to immediate preceding quarter. The increase in loss after tax of RM1.450 million was mainly due to the following one-off set up cost the Group have incurred in Q2:

- One-off set up cost of RM1.1 million in Singapore for 2,800 units payment terminals roll up.
- One-off set up cost of RM0.4 million for a hyper market virtual terminal integration expense and MasterCard Biometric authentication project.

### 3. Prospects of the Group

The Group's continues to focus on the following ecosystems namely ePayment, eCommerce, eWallet, eLogistics, cyber security, IoT and cloud.

In the ePayment front, the Group has focused on facilitating and consolidating various eWallets acceptance into our all-in-one smart terminal which will allow our merchants to accept payment from multiple eWallets. March 2019 sees the Group receiving the acceptance of Letters of Offers from a large hypermart and retail pharmacy chain, accepting the Group as the sole integrator to collaborate in facilitating eWallet / QR payment acceptance at the respective cash registers / POS solution via 2D scanner. The deployment of all scanner was completed in June 2019 allowing their outlets nationwide to accept multiple QR schemes.

In June 2019, the Group received confirmation from another large conglomerate, accepting the Group as the payment aggregator or enabler to facilitate Cards and eWallet payment acceptance for its License Plate Recognition "LPR" project for vehicle parking. LPR is a technology where characters from video footage are automatically recognised and recorded. With this new LPR parking system, users can conveniently enter and exit a parking area without the need to carry a ticket. Vehicle parking payment can be made via internet payment gateway, automated payment systems or through in-app of eWallets. The Group shall manage end-to-end transaction flow from the system host to respective eWallet operators, cards acquiring bank and vice versa. The project is scheduled to kickstart in Q4 2019.

On the eWallet front, Q2 2019 sees a developer group in Melaka expanding their partnership with the Group. Upon successfully launching the white-labelled eWallet, the client has awarded their Hotel Loyalty system to the Group, scheduled to be completed by Q4 2019. The Group also deployed terminals to all of the clients' owned hotels in Melaka. Q3 and Q4 2019 will see all six of their shopping malls also adopting our terminals to allow acceptance of our white label eWallet payment as well as other card and eWallet schemes.

E-commerce sees the Group's platform, buymalaysia.com sign two additional channel partners in Penang and the Klang Valley, further increasing the speed of merchant acquisition into the platform. Q3 2019 and Q4 2019 will see BuyMalaysia focus more on trade facilitation both in the domestic and international market for our merchant community. Efforts include a large B2C exhibition, hosted at a Melaka mall which will spin off into a permanent BuyMalaysia offline store targeted at tourists to Melaka.

On the IoT and Cloud front, the Group expanded its foray into the Digital TV and schedule to launch "MBOX" smart set-top-boxes on 1 September 2019. The Group was appointed on 9 August 2019 to deliver and install MYTV's "Return To Sender" set-top-boxes to more qualified Bantuan Sara Hidup Raykat "BSHR" recipients to receive the free 13 TV and 6 FM Radio channels in high quality sound and visuals. In the future, households also can access multiple interactive services via their CPE such as home shopping, video-on-demand, pay TV subscription, IoT devices and Internet content services." It is expected that both the MYTV appointment and the Group's own MBOX distribution will contribute positively to the Group's revenue for financial year 2019.

With steady growth in both the epayment and ewallet business, as well as the Group's new foray into the digital TV industry, the Group expect steady growth in the revenue by the end of year 2019.

### 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 2019	Preceding Year Corresponding Quarter 30 June 2018	Current Year-to-date 30 June 2019	Preceding Year Corresponding Period 30 June 2018
	RM'0010	RM'000	RM'000	RM'000
Interest income	(242)	(324)	(427)	(601)
Other income, excluding interest income, gain on disposal of plant and equipment and gain on foreign exchange	(18)	(15)	(47)	(21)
Depreciation & amortisation	2,202	2,055	4,399	3,309
Loss/(Gain) on disposal of plant and equipment	(11)	(4)	(72)	(7)
Loss/(Gain) on foreign exchange	(141)	(97)	(141)	(10)
Impairment of trade receivable	(40)	313	78	340
Interest Expenses	3	4	6	8

## 6. Taxation

The taxation figures are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30 June 2019	Preceding Year Corresponding Quarter 30 June 2018	Current Year-to-date 30 June 2019	Preceding Year Corresponding Period 30 June 2018
	RM'000	RM'000	RM'000	RM'000
Income tax charge	-	-	-	-
Deferred taxation	-	-	-	-
Tax expense	-	-	-	-

## 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	2,790	within 2 Years	15,210	85%	The Research & Development is in work in progress
(b) Other Operating Expenditure	11,567	11,567	within 1 Year	Nil	Nil	The Research & Development is in work in progress
(c) Estimated expenses in relation to Private Placement	400	399	within 1 month	1	0.003%	The Research & Development is in work in progress
	<u>29,967</u>	<u>14,756</u>		<u>15,211</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	24,851	within 2 Years	Nil	Nil	The Research & Development is in work in progress
(b) Other Operating Expenditure	10,650	4,942	within 1 Year	5,708	54%	The Research & Development is in work in progress
	<u>35,501</u>	<u>29,793</u>		<u>5,708</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 2019	Preceding Year Corresponding Quarter 30 June 2018	Cumulative Year-to-date 30 June 2019	Cumulative Year-to-date 30 June 2018
Total comprehensive Income attributable to owners of the Company (RM'000)	(3,041)	(1,752)	(4,692)	(4,129)
Weighted average number of ordinary shares in issue ('000)	710,466	710,466	710,466	710,466
Basic earnings per ordinary share (sen)	(0.43)	(0.25)	(0.66)	(0.58)

### (b) Diluted earnings per ordinary share

The Group has no dilution in their loss per ordinary share as there were no dilutive potential ordinary shares.

## 12. 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

## 13. This interim financial report is dated 27 August 2019.

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