Note:

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020

		***** Individua	l Quarter *****	***** Cumulative	e Quarter *****
	Note	Current year quarter 30 September 2020 RM'000	Preceding year corresponding quarter 30 September 2019 RM'000	Current year to date 30 September 2020 RM'000	Unaudited results corresponding period 30 September 2019 RM'000
Revenue		4,499	5,769	10,975	12,386
Direct Costs	-	(2,229)	(1,736)	(4,970)	(5,264)
Gross Profit		2,270	4,033	6,005	7,122
Other Income		294	496	802	1,041
Administrative and General Expenses	-	(1,442)	(4,159)	(16,848)	(12,956)
Operating Gain / (Loss)		1,122	370	(10,041)	(4,793)
Finance Costs		-	(4)	(2)	(10)
Share of Associate Profit	-	58	(77)	(32)	322
Profit /(Loss) Before Taxation	В5	1,180	289	(10,075)	(4,481)
Taxation	В6		(36)	-	(36)
Profit/(Loss) After Taxation		1,180	253	(10,075)	(4,517)
Exchange Different		-	-	(24)	-
Total comprehensive Profit / (Loss)	-	1,180	253	(10,099)	(4,517)
Non-Controlling Interest	-	25	(8)	(35)	(85)
PROFIT/(LOSS) ATTRIBUTABLE TO Equity holders of the Company	=	1,155	261	(10,064)	(4,432)
Earnings per share (sen) :- a) Basic		0.16	0.04	(1.42)	(0.62)

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 2019.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

S AT 30 SEPTEMBER 2020		
	Unaudited	Audited
	As at	As at
	30 September 2020	31 December 2019
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	21,798	22,931
Investment in associate	3,349	3,349
Share of Post Acquisition Profit	1,392	1,424
Software development	19,529	20,204
Trade and other receivables	-	10
	46,068	47,918
Current assets		
Inventories	10,953	11,679
Trade and other receivable	11,484	18,049
Other investment	622	622
Current tax asset	462	211
Short Term Fund	1,727	3,556
Fixed deposits with a licensed bank	1,797	4,575
Cash and bank balances	3,714	1,048
	30,759	39,740
Total Assets	76,827	87,658
EQUITY AND LIABILITIES		
Share capital	112,241	112,241
Exchange Reserves	(9)	15
Accumulated Losses	(41,347)	(31,307)
Equity Attributable To Equity Holders of the Company	70,885	80,949
Non-controlling interest	(303)	(268)
Total Equity	70,582	80,681
Non-current Liabilities		
Lease liability - Rental	_	125
Deferred tax liabilities	145	145
2 vience un incimue	145	270
Current Liabilities		
Lease liability - Rental	-	58
Trade and other payables	5,730	6,330
Hire purchase	370	319
	6,100	6,707
Total Liabilities	6,245	6,977
TOTAL EQUITY AND LIABILITIES	76,827	87,658
Net asset per share attributable to		
ordinary equity holders of the Company (RM)	0.11	0.12
and a factor of the sample of		

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020

FOR THE FINANCIAL QUARTER ENDED 30 SEFTEMBER 20	020	Unaudited
	As at 30 September 2020	As at 30 September 2019
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	(10,075)	(4,481)
Adjustment for:		
Amortisation of software development	3,693	3,421
Depreciation of property, plant and equipment	3,070	3,178
Impairment Loss on Receivables	4,366	788
(Gain)/Loss on disposal of property, plant and equipment	(10)	(276)
Interest Income	(356)	(710)
Interest expenses	2	10
Share of Associate Profit/(Loss)	32	(322)
Unrealised (gain)/loss foreign exchange	(19)	(216)
Operating profit/(loss) before changes in working capital	703	1,392
Inventories	726	324
Receivables	2,209	(8,895)
Payables	(1,083)	1,324
Changes in Working Capital	2,555	(5,855)
Interest received	356	710
Tax refund/(Tax paid)	(251)	111
Net Operating Cash Flows	2,660	(5,034)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions of intangible assets	(3,018)	(4,847)
Proceeds from disposal of property, plant and equipment	3	1,387
Purchase of property, plant and equipment	(1,930)	(6,841)
Net investing cash flows	(4,945)	(10,301)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest expenses	(2)	(10)
Net drawn down of lease liabilities	370	-
Net financing cash flows	368	(10)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,917)	(15,345)
Effect of Changes of Exchange Rate	(24)	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	9,179	27,668
CASH AND CASH EQUIVALENTS AT THE END OF		
THE PERIOD	7,238	12,323

Note:

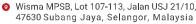
The unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020

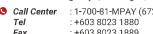
	Share Capital RM'000	Exchange reserves RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2020	112,241	15	(31,307)	80,949	(268)	80,681
Net profit/(loss) for the financial year	-	(24)	(10,040)	(10,064)	(35)	(10,099)
Balance as at 30 September 2020	112,241	(9)	(41,347)	70,885	(303)	70,582
Balance as at 1 January 2019	112,241	18	(25,829)	86,430	(189)	86,241
Net profit/(loss) for the financial year	,	-	(5,478)	(5,478)	(79)	(5,557)
Other comprehensive loss for the financial year		(3)	<u>-</u>	(3)		(3)
Balance as at 31 December 2019	112,241	15	(31,307)	80,949	(268)	80,681

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 2019.



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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

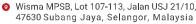
The interim financial statements for the current quarter are unaudited and have been prepared in accordance with the requirements outlined in the Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board ("MASB") and Rule 9.22 and 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 2019. 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 2019.

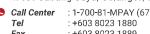
Adoption of new and revised accounting policies

The accounting policies adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 December 2019 except for the following:

Amendments/ MFRS	Description	Effective for financial periods beginning on or after
Amendments of MFRS 3	Definition of a Business	1 January 2020
Amendments of MFRS 101 & MFRS 108	Definition of Material	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7	Disclosures –Interest Rate Benchmark Reform	1 January 2020



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NOTES TO THE QUARTERLY REPORT (CONTINUED)

A3. Standards issued but not yet effective

As at the date of authorisation of this Condensed Report, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective.

Amendments/ MFRS	Description	Effective for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2022

A4. 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 2019.

Seasonal or cyclical factors

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

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.

Changes in estimates of amounts reported A7.

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.

A8. 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.





NOTES TO THE QUARTERLY REPORT (CONTINUED)

A9. Dividend paid

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

A10. 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 2020 is as follows:

Quarter ended 30 September 2020	Payment Services RM'000	Non Payment Services RM'000	Total Services RM'000
Segment Revenue Direct Cost Other unallocated income Administrative and General Expenses	2,675	1,824	4,499 (2,229) 294 (1,442)
Share of Associate Profit /(Loss) Finance costs Profit/(Loss) before taxation		_	58
Taxation Profit/(Loss) after taxation Exchange different		_	1,180
Non-Controlling interest Profit/(Loss) attributable to owners of the Company		<u>-</u>	25 1,155
Segment Assets Tax assets Unallocated corporate assets	41,327	4,741 	46,068 462 30,297 76,827
Segment Liabilities Tax liabilities Unallocated corporate liabilities	-	-	145 6,100 6,245



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NOTES TO THE QUARTERLY REPORT (CONTINUED)

A10. Segmental information (continued)

The segment information for the quarter ended 30 September 2019 is as follows:

Quarter ended 30 September 2019	Payment Services RM'000	Non Payment Services RM'000	Total Services RM'000
Segment Revenue	3,760	2,009	5,769
Direct Cost			(1,736)
Other unallocated income			496
Administrative and General Expenses			(4,159)
Share of Associate Loss/(Profit)			(77)
Finance costs			(4)
Profit/(Loss) before taxation Taxation			(289) (36)
Profit/(Loss) after taxation			253
Non-controlling interest			8
Profit/(Loss) attributable to owners of			261
the Company		_	
Segment assets	42,555	3,194	45,749
Tax assets			439
Unallocated corporate assets			42,954
			89,142
Segment Liabilities	_	_	_
Tax liabilities			109
Unallocated corporate liabilities			7,328
F			7,437

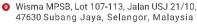
Information on the Group's operation by geographical segment is not provided as the Group's operation is primarily in Malaysia.

A11. 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.

A12. Capital commitments

There are no material capital commitments in respect of property, plant and equipment in this quarter.



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NOTES TO THE QUARTERLY REPORT (CONTINUED)

A13. Capital expenditure

There was no material capital expenditure in respect of property, plant and equipment in this quarter.

A14. Changes in the composition of the Group

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

A15. 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.

A16. 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.

A17. 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

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NOTES TO THE QUARTERLY REPORT (CONTINUED)

A17. 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

			Individual Q	uarter
			Current Quarter	Preceding Year Corresponding Quarter
			30 September 2020 RM'000	30 September 2019 RM'000
Rental ex	penses		69	69
Short benefits	term	employee	152	169

			Cumulative	Quarter
			Current Quarter	Preceding Year Corresponding Period
			30 September 2020 RM'000 RM'	
Rental ex	penses		207	207
Short benefits	term	employee	456	479



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

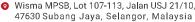
1. Review of performance

	***** In Current year quarter 30 September 2020	Preceding year corresponding quarter 30 September 2019	***** Increase/ (Reduce)	Current year to date 30 September 2020	Preceding year corresponding period 30 September 2019	***** Increase/ (Reduce)
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	4,499	5,769	(1,270)	10,975	12,386	(1,411)
Operating Profit/(Loss)	1,122	370	752	(10,041)	(4,793)	5,248
Profit /(Loss) Before Tax	1,180	289	891	(10,075)	(4,481)	5,594
Profit/(Loss) After Tax	1,180	253	927	(10,075)	(4,517)	5,558
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,155	261	894	(10,064)	(4,432)	5,632

MPay and its subsidiaries ("Group") recorded revenue of RM4.499 million in the quarter ended 30 September 2020 ("current quarter") compared with the revenue of RM5.769 million in the preceding year corresponding quarter representing a decrease of RM1.270 million in the current quarter under review. The decrease in revenue is mainly due to the decrease in non-payment revenue result from the impact of the Covid-19 pandemic.

The Group Q3 2020 recorded a Profit After Tax of RM1.180 million as compared to Profit after tax of RM0.253 million recorded in preceding year's corresponding quarter. The increase in profit after tax in current quarter was mainly due to the reversal of impairment provision for debtors during the quarter of approximate RM2.5million derived from non-payment segment..

The Group cash position and liquidity remains healthy with short term fund and cash balance of about RM7.238million. The total order book and contract received as at 30 September 2020 was RM0.215 million.



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2. Material changes to the results of the preceding quarter

***** Individual Quarter *****

	Current quarter 30 September 2020	Preceding quarter 30 June 2020	Increase / (Reduce)
	RM'000	RM'000	RM'000
Revenue	4,499	3,424	1,075
Operating Profit/(Loss)	1,122	(6,167)	7,289
Profit /(Loss) Before Tax	1,180	(6,208)	7,388
Profit/(Loss) After Tax	1,180	(6,208)	7,388
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	1,155	(6,192)	7,347

MPay and its subsidiaries ("Group") recorded revenue of RM4.499 million in the quarter ended 30 September 2020 ("current quarter") compared with the revenue of RM3.424 million in the immediate preceding quarter representing an increase of RM1.075 million in the current quarter. The increase is mainly derived from the payment segment due to increase in digital payment acceptance at merchant such as e-Wallet and payment cards during Covid-19 pandemic.

The Group recorded Profit Before Tax of RM1.180 million during the current quarter compared to Loss Before Tax of RM6.208 million compared to immediate preceding quarter. The profit after tax of RM1.180 million was mainly due to reversal of impairment provision of debtors during the quarter of approximate RM2.5million derived from non-payment segment.

3. Prospects of the Group

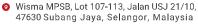
Third Quarter of 2020 continues to be challenging for most of the Malaysian businesses including MPay Group due to renewed lockdowns with the persistent rise of Covid-19 infections in Malaysia, posing a threat to offline retailers' businesses which indirectly affecting the Group's merchant acquisition growth.

However, the Group has seen an increase in demand for the online payment service by SME Community in 3rd Quarter. The Group recorded higher revenue from online sales promotion carried out by various key merchants recruited over the years.

This quarter also saw us announced the acceptance of Letter of Offer issued to Coral Power Sdn Bhd (CPSB) for the financing of a large-scale solar photovoltaic (PV) plant of 9.9 MWac capacities in Manjung, Perak, subject to CPSB meeting the condition precedents set out in the Letter of Offer. This project opens a window of opportunity for the Group to offer more project financing service to the growing prospects of the renewable energy sector.

In the peer-to-peer (P2P) financing platform, the Group announced it will be providing Floor Stocking financing to used-car dealers, secured by vehicles as collateral. The Group plan to offer this collateralised Floor Stocking financing to 100 car dealers for a start by 4th Quarter this year.

With these positive indications and active efforts to raise funds via recently announced 20% private placement exercise to strengthen the Group's ecosystem and expanding the Group's market share, the Group cautiously expects a steady growth in revenue for the year 2021 and beyond.





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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.

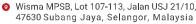
5. Profit before taxation

	Individual Quarter			Cumulative Quarter		
	Current Quarter 30 September 2020	Preceding Year Corresponding Quarter 30 September 2019	•	Current Year-to-date 30 September 2020	Preceding Year Corresponding Period 30 September 2019	
	RM'000	RM'000		RM'000	RM'000	
Interest income	(85)	(283)		(356)	(710)	
Other income, excluding interest income, gain on disposal of plant and equipment and gain on foreign exchange	(200)	(8)		(436)	(55)	
Depreciation & amortisation	2,313	2,200		6,763	6,599	
Loss/(Gain) on disposal of plant and equipment	(9)	(204)		(10)	(276)	
Impairment of trade receivable	(2,582)	710		4,366	788	
Interest Expenses	-	4		2	10	

6. Taxation

The taxation figures are as follows:

	Individual	Quarter	Cumulati	Cumulative Quarter		
	Preceding Year			Preceding Year		
	Current	Corresponding	Current	Corresponding		
	Quarter	Quarter	Year-to-date	Period		
	30 September 2020	30 September 2019	30 September 2020	30 September 2019		
	RM'000	RM'000	RM'000	RM'000		
Income tax charge	-	-	-	-		
Deferred taxation	-	-	-	-		
Tax expense	-	-		-		



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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	%	
				within 2			The Research & Development
(a)	Capital Expenditure Other Operating	18,000	7,549	Years within 1	10,451	58.10%	is in work in progress The Research & Development
(b)	Expenditure	11,567	11,567	Year	Nil	Nil	is in work in progress
(c)	Estimated expenses in relation to Private Placement	400	399	within 1 month	1	0.25%	The Research & Development is in work in progress
		29,967	19,515		10,452	:	

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.

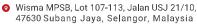
7. Status of corporate proposal (continued)

(b) Utilisation of proceeds

(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 within 2	RM'000	%	The Research & Development is in
(a)	Capital Expenditure Other Operating	24,851	24,851	Years	Nil	Nil	work in progress The Research & Development is in
(b)	Expenditure	10,650	10,647	within 1 Year	3	0.03%	work in progress
		35,501	35,498	=	3		



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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 was 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 2020	Preceding Year Corresponding Quarter 30 September 2019	Cumulative Year-to-date 30 September 2020 30	Cumulative Year-to-date September 2019		
Total comprehensive Income attributable to owners of the Company (RM'000)	1,155	261	(10,064)	(4,432)		
Weighted average number of ordinary shares in issue ('000)	710,466	710,466	710,466	710,466		
Basic earnings per ordinary share (sen)	0.16	0.04	(1.42)	(0.62)		

(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.



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11. 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) Exceptional items;
- 13. This interim financial report is dated 23 November 2020.

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