

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

	***** Individual Quarter *****		***** Cumulative Quarter *****		
	Note	Current year quarter 31 December 2020 RM'000	Preceding year corresponding quarter 31 December 2019 RM'000	Current year to date 31 December 2020 RM'000	Audited corresponding period 31 December 2019 RM'000
<b>Revenue</b>		2,049	5,636	13,024	17,827
Direct Costs		<u>(4,312)</u>	<u>(6,072)</u>	<u>(9,282)</u>	<u>(12,588)</u>
<b>Gross Profit</b>		(2,263)	(436)	3,742	5,239
Other Income		131	412	933	1,420
Administrative and General Expenses		<u>(23,713)</u>	<u>(528)</u>	<u>(40,561)</u>	<u>(12,519)</u>
<b>Operating Gain / (Loss)</b>		(25,845)	(552)	(35,886)	(5,860)
Finance Costs		(10)	1	(12)	(10)
Share of Associate Profit		<u>147</u>	<u>94</u>	<u>115</u>	<u>412</u>
<b>Profit/(Loss) Before Taxation</b>	B5	(25,708)	(457)	(35,783)	(5,458)
Taxation	B6	<u>(471)</u>	<u>(141)</u>	<u>(471)</u>	<u>(99)</u>
<b>Profit/(Loss) After Taxation</b>		(26,179)	(598)	(36,254)	(5,557)
Exchange Different		17	(28)	(7)	(3)
<b>Total comprehensive Profit / (Loss)</b>		<u>(26,162)</u>	<u>(626)</u>	<u>(36,261)</u>	<u>(5,560)</u>
Non-Controlling Interest		<u>16</u>	<u>1</u>	<u>(19)</u>	<u>(79)</u>
<b>PROFIT/(LOSS) ATTRIBUTABLE TO Equity holders of the Company</b>		<u><u>(26,178)</u></u>	<u><u>(627)</u></u>	<u><u>(36,242)</u></u>	<u><u>(5,481)</u></u>
Earnings per share (sen) :-					
a) Basic		(3.65)	(0.09)	(5.06)	(0.77)

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 2019.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020

	Unaudited As at 31 December 2020 RM'000	Audited As at 31 December 2019 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	17,856	22,931
Investment in associate	2,850	4,773
Software development	11,794	20,204
Trade and other receivables	-	10
	<u>32,500</u>	<u>47,918</u>
<b>Current assets</b>		
Inventories	9,723	11,679
Trade and other receivable	4,912	18,049
Other investment	627	622
Current tax asset	411	211
Short Term Fund	2,185	3,556
Fixed deposits with a licensed bank	1,555	4,575
Cash and bank balances	2,130	1,048
	<u>21,543</u>	<u>39,740</u>
<b>Total Assets</b>	<u><u>54,043</u></u>	<u><u>87,658</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	112,991	112,241
Other reserves	2,812	-
Exchange Reserves	8	15
Accumulated Losses	(67,580)	(31,307)
<b>Equity Attributable To Equity Holders of the Company</b>	<u>48,231</u>	<u>80,949</u>
Non-controlling interest	(115)	(268)
<b>Total Equity</b>	<u>48,116</u>	<u>80,681</u>
<b>Non-current Liabilities</b>		
Lease liability - Rental	346	125
Deferred tax liabilities	479	145
	<u>825</u>	<u>270</u>
<b>Current Liabilities</b>		
Lease liability - Rental	67	58
Trade and other payables	4,933	6,330
Hire purchase	102	319
	<u>5,102</u>	<u>6,707</u>
<b>Total Liabilities</b>	<u>5,927</u>	<u>6,977</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>54,043</u></u>	<u><u>87,658</u></u>
Net asset per share attributable to ordinary equity holders of the Company (RM)	<u>0.08</u>	<u>0.12</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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020**

	As at 31 December 2020	Audited As at 31 December 2019
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	(35,783)	(5,458)
Adjustment for:		
Amortisation of software development	3,048	3,370
Depreciation of property, plant and equipment	4,282	4,354
Impairment Loss on Receivables	6,499	1,369
Impairment loss on terminal and software development	16,537	
Impairment loss in investment in associate	584	
(Gain)/Loss on disposal of property, plant and equipment	(18)	(273)
Dilution of interest in investment in associate	1,486	-
Interest Income	(431)	(943)
Interest expenses	12	10
Fair value loss on ESOS exercise	2,946	-
Realisation of financial guarantee liabilities	-	209
Share of Associate Profit/(Loss)	(147)	(412)
Unrealised (gain)/loss foreign exchange	-	(15)
Operating profit/(loss) before changes in working capital	<u>(985)</u>	<u>2,211</u>
Inventories	1,956	(1,910)
Receivables	6,643	(4,092)
Payables	<u>(1,486)</u>	<u>644</u>
Changes in Working Capital	6,128	(3,147)
Interest received	431	943
Tax refund/(Tax paid)	<u>(337)</u>	<u>311</u>
<b>Net Operating Cash Flows</b>	<u>6,222</u>	<u>(1,893)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions of intangible assets	(7,445)	(5,470)
Investment in associates	-	(1,489)
Net withdrawal (placement) of fixed deposits	-	(38)
Proceeds from disposal of property, plant and equipment	57	1,386
Purchase of property, plant and equipment	<u>(2,976)</u>	<u>(7,685)</u>
<b>Net investing cash flows</b>	<u>(10,364)</u>	<u>(13,296)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest expenses	(12)	(10)
Proceeds from issuance of shares	750	-
Net drawn down of lease liabilities	<u>102</u>	<u>(56)</u>
<b>Net financing cash flows</b>	<u>840</u>	<u>(66)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(3,302)</u>	<u>(15,255)</u>
Effect of Changes of Exchange Rate	(7)	14
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>7,976</u>	<u>23,217</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u><u>4,667</u></u>	<u><u>7,976</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 2019.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020

	Share Capital RM'000	Other reserves RM'000	ESOS reserves 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
Share issue from private placement	750	-	-	-	-	750	-	750
ESOS reserve	-	-	2,946	-	-	2,946	-	2,946
Dilution in net asset from acquisition of subsidiary	-	(134)	-	-	-	(134)	134	-
Net profit/(loss) for the financial year	-	-	-	(7)	(36,273)	(36,280)	19	(36,261)
Balance as at 31 December 2020	<u>112,991</u>	<u>(134)</u>	<u>2,946</u>	<u>8</u>	<u>(67,580)</u>	<u>48,231</u>	<u>(115)</u>	<u>48,116</u>
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)	-	(3)	-	(3)
Balance as at 31 December 2019	<u>112,241</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>(31,307)</u>	<u>80,949</u>	<u>(268)</u>	<u>80,681</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 2019.

## 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.

**A2. 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:

<b>Amendments/ MFRS</b>	<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
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
Amendments to MFRS 10, MFRS 128 & MFRS 7	Consolidated Financial Statements Investments in Associates and Joint Ventures Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2020

**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.

<b>Amendments/ MFRS</b>	<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
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.

**A5. Seasonal or cyclical factors**

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

**A6. 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.

**A7. 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.

**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 31 December 2020 is as follows:

<b>Quarter ended 31 December 2020</b>	<b>Payment Services RM'000</b>	<b>Non Payment Services RM'000</b>	<b>Total Services RM'000</b>
Segment Revenue	1,790	259	2,049
Direct Cost			(4,312)
Other unallocated income			131
Administrative and General Expenses			(23,713)
Share of Associate Profit /(Loss)			147
Finance costs			(10)
Profit/(Loss) before taxation			<u>25,708</u>
Taxation			(471)
Profit/(Loss) after taxation			<u>(26,179)</u>
Exchange different			17
Non-Controlling interest			(16)
Profit/(Loss) attributable to owners of the Company			<u>(26,178)</u>
Segment Assets	29,650	2,850	32,500
Tax assets			411
Unallocated corporate assets			21,132
			<u>54,043</u>
Segment Liabilities	-	-	-
Tax liabilities			479
Unallocated corporate liabilities			5,448
			<u>5,927</u>

**NOTES TO THE QUARTERLY REPORT (CONTINUED)****A10. Segmental information (continued)**

The segment information for the quarter ended 31 December 2019 is as follows:

Quarter ended 31 December 2019	Payment Services RM'000	Non Payment Services RM'000	Total Services RM'000
Segment Revenue	1,362	4,274	5,636
Direct Cost			(6,072)
Other unallocated income			412
Administrative and General Expenses			(528)
Share of Associate Loss/(Profit)			94
Finance costs			1
Profit/(Loss) before taxation			(457)
Taxation			(141)
Profit/(Loss) after taxation			(598)
Exchange different			(28)
Non-controlling interest			(1)
Profit/(Loss) attributable to owners of the Company			(627)
Segment assets	44,068	4,777	48,845
Tax assets			212
Unallocated corporate assets			39,092
			88,149
Segment Liabilities	10	-	10
Tax liabilities			223
Unallocated corporate liabilities			6,820
			7,053

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.



**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

**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

	<b>Individual Quarter</b>	
	<b>Current Quarter</b>	<b>Preceding Year Corresponding Quarter</b>
	<b>31 December 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
Rental expenses	69	69
Short term employee benefits	152	148

	<b>Cumulative Quarter</b>	
	<b>Current Quarter</b>	<b>Preceding Year Corresponding Period</b>
	<b>31 December 2020 RM'000</b>	<b>31 December 2019 RM'000</b>
Rental expenses	276	276
Short term employee benefits	608	627

**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	Preceding year	Increase/ (Reduce)
	quarter	corresponding		year to date	corresponding	
	31	quarter	31	31	period	
December	December	December	December	December	Increase/ (Reduce)	
2020	2019		2020	2019		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	2,049	5,636	(3,587)	13,024	17,827	(4,803)
Operating Profit/(Loss)	(25,845)	(552)	25,293	(35,886)	(5,860)	30,026
Profit/(Loss) Before Tax	(25,708)	(457)	25,251	(35,783)	(5,458)	30,325
Profit/(Loss) After Tax	(26,179)	(598)	25,581	(36,254)	(5,557)	30,697
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(26,178)	(627)	25,551	(36,242)	(5,481)	30,761

MPay and its subsidiaries (“Group”) recorded revenue of RM2.049 million in the quarter ended 31 December 2020 (“current quarter”) compared with the revenue of RM5.636 million in the preceding year corresponding quarter representing a decrease of RM3.587 million in the current quarter under review. The decrease in revenue is mainly due to the decrease in non-payment revenue resulted from the impact of the Covid-19 pandemic.

The Group Q4 2020 recorded a Loss After Tax of RM26.179 million as compared to Loss after tax of RM0.598 million recorded in preceding year’s corresponding quarter. The increase in loss after tax in current quarter was mainly due to the following:

- the provision for trade debtor of approximately RM2.10 million from non-payment segment.
- the written off of approximately RM0.137million bad debt from payment segment.
- Impairment provision for software development and terminal asset of approximately RM16.5million.
- Depreciation and amortisation expense of approximately RM0.567million.
- Fair value loss from ESOS exercise of approximately RM2.50 million.
- Loss in dilution of interest in the investment in associate of approximately RM1.50 million,
- Impairment losses recognised for investment in associate of approximately RM0.553 million

## 1. Review of performance (continued)

The Group's net cash flow generated from operating activities for the year 2020 was recorded at RM6.222 million which represented an improvement of approximately RM8.115 million as compared to the net cash flow generated for the year 2019.

The Group cash position and liquidity remains healthy with short term fund and cash balance of about RM5.870 million. The total order book and contract received as at 31 December 2020 was RM0.220 million.

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

### \*\*\*\*\* Individual Quarter \*\*\*\*\*

	<b>Current quarter 31 December 2020</b>	<b>Preceding quarter 30 September 2020</b>	<b>Increase / (Reduce)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	2,049	4,499	(2,450)
Operating Profit/(Loss)	(25,845)	1,122	(26,967)
Profit/(Loss) Before Tax	(25,708)	1,180	(26,888)
Profit/(Loss) After Tax	(26,179)	1,180	(27,359)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(26,178)	1,155	(27,333)

MPay and its subsidiaries ("Group") recorded revenue of RM2.049 million in the quarter ended 31 December 2020 ("current quarter") compared with the revenue of RM4.499 million in the immediate preceding quarter representing an decrease of RM2.450 million in the current quarter. The decrease was due to the decrease in non-payment revenue resulted from the impact of the Covid-19 pandemic.

The Group recorded Loss Before Tax of RM25.708 million during the current quarter compared to Profit Before Tax of RM1.180 million compared to immediate preceding quarter. The increase in loss before tax in current quarter was mainly due to the following:

- the provision for trade debtor of approximately RM2.10 million from non-payment segment.
- the written off of approximately RM0.137million bad debt from payment segment.
- Impairment provision for software development and terminal asset of approximately RM16.5million.
- Depreciation and amortisation expense of approximately RM0.567million.
- Fair value loss from ESOS exercise of approximately RM2.50 million.
- Loss in dilution of interest in the investment in associate of approximately RM1.50 million,
- Impairment losses recognised for investment in associate of approximately RM0.553 million

The Group's net cash flow generated from operating activities for the year 2020 was recorded at RM6.222 million which represented an improvement of approximately RM8.115 million as compared to the net cash flow generated for the year 2019.

The Group cash position and liquidity remains healthy with short term fund and cash balance of about RM5.870 million. The total order book and contract received as at 31 December 2020 was RM0.220 million.

### 3. Prospects of the Group

The COVID-19 pandemic has had a significant adverse impact on global economic activity as countries around the globe implemented movement control laws and closed non-essential businesses. Overall, the weak economic outlook has resulted in cautious consumer and retail spending which has directly impacted the performance of payment business of the Group.

Despite the challenging operating environment ahead, we remain committed in our vision to build our Group's services which are deemed to be essential services in providing eMoney services, ePayment services, P2P financing, direct money lending and Fintech-as-a-Service solution offerings for businesses and companies. The Group had recently been approved by Bank Negara Malaysia (BNM) to issue White Label e-wallets and to online onboard via eKYC solution which will allow us to package fintech product offerings described above to assist large corporation to provide uniquely private branded end-to-end financial services to their business communities.

The Group is now working on a submission to Bank Negara Malaysia (BNM) for a Digital Bank Operating License. The licensing framework for digital banks aims to enable the innovative application of technology to uplift the financial well-being of unserved and underserved individuals and businesses and foster sustainable growth for these less privileged communities. "Malaysia must digitalise quickly to secure its future prosperity", says Prime Minister Tan Sri Muhyiddin Yassin at the launching of MyDigital blueprint. Unveiled on 19 February 2021, the Malaysia Digital Economy Blueprint is the catalyst that will fast-track Malaysia's digital transformation.

Industry players are currently awaiting its execution and the opportunities it will present. The Group will have first mover advantages as we have been included in various digital enablement programs facilitated by relevant government agencies such as eTrade program by MATRADE under the purview of the Ministry of International Trade and Industry (MITI) and Technical Service Provider program by MDEC under the purview of the Ministry of Communications and Multimedia Malaysia.

On 10 March 2021, Bursa Securities had resolved to grant the Group an extension of time of 6 months until 17 September 2021 to complete the implementation of the 20% Private Placement which would involve the issuance of up to 142,093,116 new MPay Shares. The Group has successfully issued 10 million placement shares to selected investors and confident to locate a strategic investor before the expiry of the time extended.

The Group remains cautiously positive that it can participate in the future of the digital economy with all our existing digital franchisees including digital payments, cashless terminals channels, e-wallets and the P2P money-lending platform and Fintech technologies moving forward.

**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 2020	Preceding Year Corresponding Quarter 31 December 2019	Current Year-to-date 31 December 2020	Preceding Year Corresponding Period 31 December 2019
	RM'000	RM'000	RM'000	RM'000
Interest income	(75)	(233)	(431)	(943)
Other income, excluding interest income, gain on disposal of plant and equipment and gain on foreign exchange	(48)	(167)	(484)	(189)
Depreciation & amortisation	567	1,125	7,330	7,724
Loss/(Gain) on disposal of plant and equipment	(8)	3	(18)	(273)
Loss/(gain) on foreign exchange	-	(15)	-	(15)
Impairment of trade receivable	2,133	581	6,499	1,369
Impairment of software development and terminal	16,537	-	16,537	-
Interest Expenses	10	1	12	10

## 6. Taxation

The taxation figures are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31 December 2020 RM'000	Preceding Year Corresponding Quarter 31 December 2019 RM'000	Current Year-to-date 31 December 2020 RM'000	Preceding Year Corresponding Period 31 December 2019 RM'000
Income tax charge	137	29	137	63
Deferred taxation	334	112	334	36
Tax expense	471	141	471	99

## 7. Status of corporate proposal

### (a) Corporate Proposal

- (i) Update on the Status of Memorandum of Understanding ("MOU") entered into between Dynasynergy Technology Sdn. Bhd. ("DTSB") and Andeli Electrical Sdn. Bhd. ("AESB") and MPay

The Board had on 2 September 2020 that the Company had entered into a MOU with DTSB and AESB to bid in the large-scale solar photovoltaic project by Energy Commission Malaysia and subsequently update on the status of MOU on 19 January 2021.

As at the date of this report, there has been no change since the last announcement made on 19 January 2021.

- (ii) Update on the Status of Memorandum of Understanding Managepay Systems Berhad ("MPay" or "the Company") - Update on the Status of Memorandum of Understanding ("MOU") with Andeli Solar Sdn Bhd ("ANDELI")

The Board had on 2 September 2020 that the Company had entered into a MOU with ANDELI to bid in the large-scale solar photovoltaic project by Energy Commission Malaysia and to develop the solar business and any related renewable energy business in collaboration and in consortium with each other and subsequently update on the status of MOU on 19 January 2021.

As at the date of this report, there has been no change since the last announcement made on 19 January 2021.

(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	12,569	within 2 Years	5,431	30%	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	0.25%	The Research & Development is in work in progress
	<u>29,967</u>	<u>24,535</u>		<u>5,432</u>		

(ii) Warrant 2012/2015: Payment Technology

The proceeds from exercise of the warrant have been completed in August 2015 and the proceeds have 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	10,647	within 1 Year	3	0.03%	The Research & Development is in work in progress
	<u>35,501</u>	<u>35,498</u>		<u>3</u>		

(iii) Private Placement 2020: MPay Issuer Project

The proceeds from private placement of first tranches are RM750,000 after the corporate exercise of the private placement.

As at 31 December 2020 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	667	-	within 24 months	667	100%	The capital expenditure is in work in progress
(b) Other Operating Expenditure	-	-	within 24 months	-	0%	
(c) Estimated expenses in Relation to Private Placement	83	83	upon completion	-	0%	
	<u>750</u>	<u>83</u>		<u>667</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 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 31 December 2020	Preceding Year Corresponding Quarter 31 December 2019	Cumulative Year-to-date 30 December 2020	Cumulative Year-to-date 31 December 2019
Total comprehensive Income attributable to owners of the Company (RM'000)	(26,178)	(627)	(36,242)	(5,481)
Weighted average number of ordinary shares in issue ('000)	715,466	710,466	715,466	710,466
Basic earnings per ordinary share (sen)	(3.65)	(0.09)	(5.06)	(0.77)

**(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) Exceptional items;

**13. This interim financial report is dated 30 March 2021.**

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