

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2023**

	Note	***** Individual Quarter *****		***** Cumulative Quarter *****	
		Current year quarter 30 June 2023 RM'000	Preceding year corresponding quarter 30 June 2022 RM'000	Current year to date 30 June 2023 RM'000	Unaudited corresponding period 30 June 2022 RM'000
<b>Revenue</b>		4,423	4,093	8,830	8,701
Direct Costs		<u>(3,369)</u>	<u>(2,903)</u>	<u>(5,945)</u>	<u>(5,453)</u>
<b>Gross Profit</b>		1,054	1,190	2,885	3,248
Other Income		168	303	403	506
Administrative and General Expenses		<u>(4,392)</u>	<u>(4,081)</u>	<u>(9,772)</u>	<u>(7,749)</u>
<b>Operating Gain / (Loss)</b>		(3,170)	(2,588)	(6,484)	(3,995)
Finance Costs		(53)	(4)	(65)	(5)
Share of Associate Profit		<u>34</u>	<u>(251)</u>	<u>77</u>	<u>(687)</u>
<b>Profit/(Loss) Before Taxation</b>	B5	(3,189)	(2,843)	(6,472)	(4,687)
Taxation	B6	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Profit/(Loss) After Taxation</b>		(3,189)	(2,843)	(6,472)	(4,687)
Exchange Different		-	-	-	-
<b>Total comprehensive Profit / (Loss)</b>		<u>(3,189)</u>	<u>(2,843)</u>	<u>(6,472)</u>	<u>(4,687)</u>
Non-Controlling Interest		<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>
<b>PROFIT/(LOSS) ATTRIBUTABLE TO Equity holders of the Company</b>		<u><u>(3,189)</u></u>	<u><u>(2,844)</u></u>	<u><u>(6,472)</u></u>	<u><u>(4,688)</u></u>
Earnings per share (sen) :-					
a) Basic		(0.37)	(0.33)	(0.75)	(0.54)

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 2022.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2023

	Unaudited As at 30 June 2023 RM'000	Audited As at 31 December 2022 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	14,987	14,934
Investment in associate	2,887	2,811
Software development	17,374	18,089
Trade and other receivables	19,138	20,865
Other investment	11	18
	<u>54,397</u>	<u>56,717</u>
<b>Current assets</b>		
Inventories	4,089	4,731
Trade and other receivable	16,593	16,430
Contract assets	-	169
Amount due from associates	167	-
Current tax asset	1,253	1,033
Short Term Fund, deposits, cash and bank balances	4,957	6,187
	<u>27,059</u>	<u>28,550</u>
<b>Total Assets</b>	<u><u>81,456</u></u>	<u><u>85,267</u></u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	148,196	148,196
Other reserves	6,629	6,050
Exchange Reserves	(194)	18
Accumulated Losses	(83,932)	(77,460)
<b>Equity Attributable To Equity Holders of the Company</b>	<u>70,699</u>	<u>76,804</u>
Non-controlling interest	(194)	(194)
<b>Total Equity</b>	<u>70,505</u>	<u>76,610</u>
<b>Non-current Liabilities</b>		
Other payable	5,125	578
Loans and borrowings	38	306
	<u>5,163</u>	<u>884</u>
<b>Current Liabilities</b>		
Contract liabilities	194	140
Loans and borrowings	5,016	535
Trade and other payables	578	7,098
	<u>5,788</u>	<u>7,773</u>
<b>Total Liabilities</b>	<u>10,951</u>	<u>8,657</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>81,456</u></u>	<u><u>85,267</u></u>
Net asset per share attributable to ordinary equity holders of the Company (RM)	<u>0.09</u>	<u>0.10</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 30 JUNE 2023**

	As at 30 June 2023	As at 30 June 2022
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	(6,472)	(4,687)
Adjustment for:		
Amortisation of software development	1,181	893
Depreciation of property, plant and equipment	517	1,496
Net( reversal of impairment)/impairment of financial asset	4,123	1,095
Interest Income	(136)	(461)
Interest expenses	65	5
Fair value loss on investment	7	-
Share based payment (ESOS)	579	-
Share of Associate Profit/(Loss)	(76)	687
Operating profit/(loss) before changes in working capital	<u>(212)</u>	<u>(972)</u>
Inventories	642	18
Receivables	(2,697)	(5,230)
Payables	(1,973)	1,402
Changes in Working Capital	<u>(4,240)</u>	<u>(4,782)</u>
Interest received	136	461
Interest paid	(65)	(5)
Tax refund/(Tax paid)	(220)	(123)
<b>Net Operating Cash Flows</b>	<u>(4,389)</u>	<u>(4,449)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Additions of intangible assets	(466)	(511)
Purchase of property, plant and equipment net of cash and cash equivalents	(570)	(6,738)
<b>Net investing cash flows</b>	<u>(1,036)</u>	<u>(7,249)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net drawn down of term loans	4,904	-
Net drawn down of lease liabilities	(498)	(34)
<b>Net financing cash flows</b>	<u>4,406</u>	<u>(34)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,019)	(11,732)
Effect of Changes of Exchange Rate	(211)	92
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	6,187	18,566
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u><u>4,957</u></u>	<u><u>6,926</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 2022.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2023

	Share Capital RM'000	Other 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 2023	148,196	6,050	18	(77,460)	76,804	(194)	76,610
Net profit/(loss) for the financial year	-	-	-	(6,472)	(6,472)	-	(6,472)
Share option charge arising from ESOS granted	-	579	-	-	579	-	579
Other comprehensive loss for the financial year	-	-	(212)	-	(212)	-	(212)
Balance as at 30 June 2023	<u>148,196</u>	<u>6,629</u>	<u>(194)</u>	<u>(83,932)</u>	<u>70,699</u>	<u>(194)</u>	<u>70,505</u>
Balance as at 1 January 2022	148,196	3,958	11	(66,759)	85,406	(192)	85,214
Issuance of ordinary share	-	1,081	-	-	1,081	-	1,081
Share option charge arising from ESOS granted	-	1,011	-	-	1,011	-	1,011
Net profit/(loss) for the financial year	-	-	-	(10,701)	(10,701)	(2)	(10,703)
Other comprehensive loss for the financial year	-	-	7	-	7	-	7
Balance as at 31 December 2022	<u>148,196</u>	<u>6,050</u>	<u>18</u>	<u>(77,460)</u>	<u>76,804</u>	<u>(194)</u>	<u>76,610</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 2022.

## 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”) and the requirement of the Companies Act 2016 in Malaysia.

The interim financial statements should be read in conjunction with the latest audited financial statements for the financial year ended 31 December 2022. 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 2022.

#### A2. Adoption of Amendments to Standards

The accounting standards 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 2022 except for the following which were adopted at the beginning of the current financial year. These pronouncements are either not relevant or do not have any material impact on the Group’s financial statements for the current financial year.

MFRS 17 Insurance Contracts (“MFRS 17”) and Amendments to MFRS 17  
Amendments to MFRS 108 Accounting Policies, Change in Accounting Estimates and Errors  
- *Definition of Accounting Estimates*

Amendments to MFRS 112 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

## 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 to the Group.

Amendments/ MFRS	Description	Effective for financial periods beginning on or after
Amendments to MFRS 16	Lease – <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRSs 101	Presentation of Financial Statements – <i>Non-current Liabilities with Covenants</i>	1 January 2024

#### Effective date of these Amendments to Standards has been deferred, and yet to be announced

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture*

The above pronouncements are either not relevant or do not have any material impact on the Group's financial statements.

### 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 2022.

### 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.

#### **A9. Dividend paid**

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

## NOTES TO THE QUARTERLY REPORT (CONTINUED)

### A10. Segmental information

The Group is organised into the following operating segments:

(a) **Fintech Services**

Provision of e-payment services, e-money services, MasterCard prepaid card services, provision of money lending services licensed by the Ministry of Housing & Local Government, and provision and operations of peer-to-peer (P2P) financing platform licensed by the Securities Commission Malaysia (“SC”), domestics and cross border remittance.

(b) **Non-fintech services**

Development, marketing and trading of information and communication technology products, project management, e-commerce, mobile virtual network operator, business outsourcing services and loyalty management services.

The segment information for the quarter ended 30 June 2023 is as follows:

<b>Quarter ended 30 June 2023</b>	<b>Fintech Services RM'000</b>	<b>Non-fintech Services RM'000</b>	<b>Total Services RM'000</b>
Segment Revenue	3,853	570	4,423
Direct Cost			(3,369)
Other unallocated income			168
Administrative and General Expenses			(4,392)
Share of Associate Profit /(Loss)			34
Finance costs			(53)
Profit/(Loss) before taxation			(3,189)
Taxation			-
Profit/(Loss) after taxation			(3,189)
Exchange different			-
Non-Controlling interest			-
Profit/(Loss) attributable to owners of the Company			(3,189)
Segment Assets	54,938	2,887	57,825
Tax assets			1,253
Unallocated corporate assets			22,378
			81,456
Segment Liabilities			
Tax liabilities			-
Unallocated corporate liabilities			10,951
			10,951



## NOTES TO THE QUARTERLY REPORT (CONTINUED)

### A10. Segmental information (continued)

The segment information for the quarter ended 30 June 2022 is as follows:

Quarter ended 30 June 2022	Fintech Services RM'000	Non-fintech Services RM'000	Total Services RM'000
Segment Revenue	4,072	21	4,093
Direct Cost			(2,903)
Other unallocated income			303
Administrative and General Expenses			(4,081)
Share of Associate Profit/(Loss)			(251)
Finance costs			(4)
Profit/(Loss) before taxation			(2,843)
Taxation			-
Profit/(Loss) after taxation			(2,843)
Exchange different			-
Non-controlling interest			(1)
Profit/(Loss) attributable to owners of the Company			(2,844)
Segment assets	37,203	2,894	40,097
Tax assets			799
Unallocated corporate assets			46,523
			87,419
Segment Liabilities			
Tax liabilities			-
Unallocated corporate liabilities			6,799
			6,799

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

	Individual Quarter	
	Current Quarter	Preceding Year Corresponding Quarter
	30 June 2023 RM'000	30 June 2022 RM'000
Rental expenses	69	69
Short term employee benefits	198	186

	Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Period
	30 June 2023 RM'000	30 June 2022 RM'000
Rental expenses	138	138
Short term employee benefits	365	343

**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 2023  RM'000	Preceding year corresponding quarter 30 June 2022  RM'000	Increase/ (Reduce)  RM'000	Current year to date 30 June 2023  RM'000	Preceding year corresponding period 30 June 2022  RM'000	Increase/ (Reduce)  RM'000
Revenue	4,423	4,093	330	8,830	8,701	129
Operating Profit/(Loss)	(3,170)	(2,588)	582	(6,484)	(3,995)	2,489
Profit/(Loss) Before Tax	(3,189)	(2,843)	346	(6,472)	(4,687)	1,785
Profit/(Loss) After Tax	(3,189)	(2,843)	346	(6,472)	(4,687)	1,785
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(3,189)	(2,844)	346	(6,472)	(4,688)	1,784

MPay and its subsidiaries ("Group") recorded revenue of RM4.423 million in the quarter ended 30 June 2023 ("current quarter"), compared to the revenue of RM4.093 million in the preceding corresponding quarter representing a increase of RM0.330 million in the current quarter under review. The increase in revenue is mainly due to the increase in non fintech services revenue.

The Group Q2 2023 recorded a Loss After Tax of RM3.189 million as compared to a Loss After Tax of RM2.843 million recorded in preceding year's corresponding quarter. The Group Q2 2023 Loss after Tax was due to higher administrative and general expenses during the current cumulative quarter compare to the previous quarter.

The Group cash position and liquidity remains healthy with short term fund and cash balance of about RM4.957million.

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

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

	<b>Current quarter 30 June 2023</b>	<b>Preceding quarter 31 March 2023</b>	<b>Increase / (Reduce)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	4,423	4,407	16
Operating Profit/(Loss)	(3,170)	(3,314)	(144)
Profit/(Loss) Before Tax	(3,189)	(3,283)	(94)
Profit/(Loss) After Tax	(3,189)	(3,283)	(94)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(3,189)	(3,283)	(94)

MPay and its subsidiaries ("Group") recorded revenue of RM4.423 million in the quarter ended 30 June 2023 ("current quarter"), compared with the revenue of RM4.407 million in the immediate preceding quarter, representing an increase of RM0.016 million in the current quarter. This increase was due to the growth in Fintech services revenue.

The Group recorded a Loss After Tax of RM3.189 million during the current quarter, compared to a Loss After Tax of RM3.283 million in compared to immediate preceding quarter, an decrease of RM0.094 million. The decrease in the loss was due to decrease in the administrative and general expenses.

### 3. Prospects of the Group

The Group holds a positive outlook for the current financial year and has taken strategic steps to ensure business continuity and sustainability. This includes forming joint ventures (EDDID) with partners to explore new opportunities, while also strengthening both Fintech and Non-Fintech sectors. Efforts towards operational efficiency will maintain the Group's competitiveness and drive long-term growth.

Notably, on July 10, 2023, the Group secured a role as an open payment system provider for select toll lanes on the Ampang-Kuala Lumpur Elevated Highway (AKLEH) and Guthrie Corridor Expressway (GCE). This collaboration with Turnpike Synergy Sdn Bhd, a subsidiary of Projek Lintasan Kota Holdings Sdn Bhd (Prolintas), is expected to significantly boost Group revenue by supplying an end-to-end open payment solution integrated across various toll plaza levels.

Furthermore, the Group launched the "PEARL – One Touch Penang" Fintech mobile app on April 28, 2023. Created by MBPP, this app aims to strengthen connections between individuals, businesses, visitors, and local government to foster economic cohesion, inclusivity, and resilience. Anticipating revenue generation by the fourth quarter, the Group remains optimistic about the app's potential.

Considering these developments, and barring unforeseen circumstances, the Board expresses strong optimism and enthusiasm for the future.

#### 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	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Period
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Interest income	(29)	(282)	(136)	(461)
Other income, excluding interest income, gain on disposal of plant and equipment and gain on foreign exchange	(139)	(21)	(267)	(45)
Depreciation & amortisation	613	1,164	1,698	2,389
Impairment of trade receivable	2,196	693	4,123	1,095
Interest Expenses	53	4	65	5

#### 6. Taxation

The taxation figures are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year-to-date	Preceding Year Corresponding Period
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	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 proposal announced but not completed as at the date of this announcement.

### (b) Utilisation of proceeds

#### (i) Private Placement 2020: MPay Issuer Project

The proceeds from private placement of are RM34,035,775 after the corporate exercise of the private placement. As at 30 June 2023 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	23,757	23,757	within 24 months	-	-	-
(b) Other Operating Expenditure	9,326	9,326	within 24 months	-	-	-
(c) Estimated expenses in Relation to Private Placement	953	953	Upon completion	-	-	-
	<u>34,036</u>	<u>34,036</u>		<u>-</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 30 June 2023	Preceding Year Corresponding Quarter 30 June 2022	Cumulative Year-to-date 30 June 2023	Cumulative Year-to-date 30 June 2022
Total comprehensive Income attributable to owners of the Company (RM'000)	(3,189)	(2,844)	(6,472)	(4,688)
Weighted average number of ordinary shares in issue ('000)	861,369	861,369	861,369	861,369
Basic earnings per ordinary share (sen)	(0.37)	(0.33)	(0.75)	(0.54)

### (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 28 August 2023.

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