

MTOUCHE TECHNOLOGY BERHAD
Company no. 656395-X
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2014**

STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 31 DECEMBER 2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 DECEMBER 2013 RM'000	CUMULATIVE QUARTER CURRENT YEAR TO-DATE 31 DECEMBER 2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 DECEMBER 2013 RM'000
				(Audited)
Revenue	4,405	5,791	25,868	28,338
Cost of sales	(2,129)	(3,342)	(15,868)	(16,214)
Gross profit	<u>2,276</u>	<u>2,449</u>	<u>10,000</u>	<u>12,124</u>
Administrative expenses	(5,737)	(2,482)	(13,442)	(9,885)
Other expenses	(948)	(1,105)	(3,319)	(1,426)
EBITDA*	<u>(4,409)</u>	<u>(1,138)</u>	<u>(6,761)</u>	<u>813</u>
Other income	1,050	124	1,252	293
Finance costs	(47)	(1)	(50)	(4)
Depreciation and amortisation	(121)	(85)	(374)	(336)
(Loss)/Profit before taxation	<u>(3,527)</u>	<u>(1,100)</u>	<u>(5,932)</u>	<u>766</u>
Taxation	(435)	(276)	(926)	(850)
(Loss) for the period	<u>(3,961)</u>	<u>(1,375)</u>	<u>(6,858)</u>	<u>(84)</u>
Other comprehensive income/(loss) Exchange difference on translating foreign operations	(385)	(461)	(603)	(662)
Total comprehensive (loss)/income	<u>(4,346)</u>	<u>(1,836)</u>	<u>(7,461)</u>	<u>(746)</u>
Total (loss)/profit attributable to:				
Equity holders of the parent	(3,887)	(1,298)	(6,613)	107
Minority interests	(74)	(78)	(245)	(191)
	<u>(3,961)</u>	<u>(1,376)</u>	<u>(6,858)</u>	<u>(84)</u>
Total comprehensive (loss)/income attributable to :				
Equity holders of the parent	(4,275)	(1,759)	(7,682)	(569)
Minority interests	(71)	(77)	221	(177)
	<u>(4,346)</u>	<u>(1,836)</u>	<u>(7,461)</u>	<u>(746)</u>
(Losses)/ Earnings per share attributable to equity holders of the parent				
- Basic and Diluted (sen)	(1.80)	(0.59)	(3.07)	0.05

* - EBITDA denotes "Earnings Before Interest, Tax, Depreciation and Amortisation"

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements on pages 5 to 14.

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2014

STATEMENT OF FINANCIAL POSITION

	AS AT 31 DECEMBER 2014 (UNAUDITED) RM'000	AS AT 31 DECEMBER 2013 (AUDITED) RM'000
Non-current assets		
Property, plant and equipment	724	790
Intangible assets	1,071	849
Deferred tax assets	7	805
	<u>1,802</u>	<u>2,444</u>
Current assets		
Trade and other receivables	6,654	7,599
Prepayments	235	296
Inventories	19	1
Tax recoverable	182	182
Cash and bank balances	10,081	16,927
	<u>17,171</u>	<u>25,006</u>
Current liabilities		
Borrowings	28	28
Tax payable	257	575
Trade and other payables	7,578	8,381
	<u>7,863</u>	<u>8,984</u>
Net current assets	<u>9,308</u>	<u>16,022</u>
	<u>11,110</u>	<u>18,466</u>
Financed by:		
Capital and reserves		
Equity attributable to equity holders of the parent		
Share capital	23,154	23,154
Share premium	4,864	4,864
Treasury shares	(5,212)	(4,653)
Warrant reserve	9,445	9,445
Capital redemption reserve	4,195	4,195
Other reserves	(120)	(1,277)
	11,467	17,999
Non-controlling interest	(719)	177
Total equity	<u>10,748</u>	<u>18,176</u>
Non-current liabilities		
Borrowings	-	28
Deferred tax liabilities	144	122
Defined benefits obligations	218	140
	<u>362</u>	<u>290</u>
	<u>11,110</u>	<u>18,466</u>
Net assets per share attributable to ordinary equity holders of the parent (sen)	<u>5</u>	<u>8</u>

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements on pages 5 to 14.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2014

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Warrant Reserves RM'000	Non-Distributable			Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
					Capital Redemption Reserve RM'000	Other Reserves RM'000	Accumulated Losses RM'000			
Twelve (12) months period ended 31 December 2014										
At 1 January 2014	23,154	4,864	(4,652)	9,445	4,195	(1,278)	(17,729)	17,999	177	18,176
Comprehensive income/(loss) :										
Loss, net of tax	-	-	-	-	-	-	(6,858)	(6,858)	245	(6,613)
Other comprehensive income:										
Foreign currency translation	-	-	-	-	-	(309)	(270)	(579)	(24)	(603)
Total comprehensive income/(loss)	-	-	-	-	-	(309)	(7,128)	(7,437)	221	10,960
Transaction with owners:										
Treasury shares :		652								
Purchased	-	-	(559)	-	-	-	-	(559)	-	(559)
Arising from part disposal in equity interest in subsidiary companies	-	-	-	-	-	1,465	-	1,465	(1,117)	348
Total transaction with owners	-	-	(560)	-	-	1,465	-	906	(1,117)	(211)
At 31 December 2014	<u>23,154</u>	<u>4,864</u>	<u>(5,212)</u>	<u>9,445</u>	<u>4,195</u>	<u>(122)</u>	<u>(24,857)</u>	<u>11,468</u>	<u>(719)</u>	<u>10,749</u>
Twelve (12) months period ended 31 December 2013										
At 1 January 2013	23,154	4,864	(3,118)	9,445	4,195	(571)	(15,648)	22,321	560	22,881
Comprehensive income :										
Profit, net of tax	-	-	-	-	-	-	137	137	(177)	(40)
Other comprehensive income :										
Foreign currency translation	-	-	-	-	-	(707)	-	(707)	-	(707)
Total comprehensive income	<u>23,154</u>	<u>4,864</u>	<u>(3,118)</u>	<u>9,445</u>	<u>4,195</u>	<u>(1,278)</u>	<u>(15,511)</u>	<u>21,751</u>	<u>383</u>	<u>22,134</u>
Transaction with owners:										
Treasury shares :										
Purchased	-	-	(1,534)	-	-	-	-	(1,534)	-	(1,534)
Dividends on ordinary shares	-	-	-	-	-	-	(2,218)	(2,218)	-	(2,218)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(206)	(206)
Total transaction with owners	-	-	(1,534)	-	-	-	(2,218)	(3,752)	(206)	(3,958)
At 31 December 2013	<u>23,154</u>	<u>4,864</u>	<u>(4,652)</u>	<u>9,445</u>	<u>4,195</u>	<u>(1,278)</u>	<u>(17,729)</u>	<u>17,999</u>	<u>177</u>	<u>18,176</u>

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements on pages 5 to 14.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2014**

STATEMENT OF CASH FLOWS

	TWELVE (12) MONTHS ENDED 31 DECEMBER 2014 RM'000	TWELVE (12) MONTHS ENDED 31 DECEMBER 2013 RM'000 (Audited)
Cash flows from operating activities		
(Loss)/Profit before taxation	(5,932)	766
Adjustments for non-cash item:		
Non-cash items	1,375	(1,043)
Non-operating items	(116)	(164)
Impairment of goodwill	252	-
Loss before working capital changes	<u>(4,421)</u>	<u>(441)</u>
Changes in working capital:		
Net change in current assets	988	2,718
Net change in current liabilities	<u>(803)</u>	<u>(387)</u>
Cash (used in)/generated from operations	(4,236)	1,890
Tax paid	(1,244)	(1,027)
Interest received	652	313
Net cash (used in)/generated from operating activities	<u>(4,828)</u>	<u>1,176</u>
Cash flows from investing activities		
Acquisition of plant and equipment	(371)	(584)
Development costs	(1,010)	(850)
Proceed from disposal of plant and equipment	-	17
Net cash used in investing activities	<u>(1,381)</u>	<u>(1,417)</u>
Cash flows from financing activities		
Purchase of treasury shares	(559)	(1,534)
Interest paid	(50)	-
Dividend paid to shareholders of the Company	-	(2,218)
Dividend paid to non-controlling interests of subsidiary companies	-	(206)
Repayment of hire purchase	(28)	(28)
Net cash used in financing activities	<u>(637)</u>	<u>(3,986)</u>
Net decrease in cash and cash equivalents	(6,846)	(4,227)
Cash and cash equivalents at 1 January	16,927	21,155
Cash and cash equivalents at 31 December	<u>10,081</u>	<u>16,927</u>

i) Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following amounts:

Cash and bank balances	10,081	16,927
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The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements on pages 5 to 14.