

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER  
ENDED 31 MARCH 2015**

**STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 MARCH 2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 MARCH 2014 RM'000	CURRENT YEAR TO-DATE 31 MARCH 2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 MARCH 2014 RM'000
Revenue	5,712	7,102	5,712	7,102
Cost of sales	(3,634)	(4,083)	(3,634)	(4,083)
<b>Gross profit</b>	<u>2,078</u>	<u>3,019</u>	<u>2,078</u>	<u>3,019</u>
Administrative expenses	(2,540)	(2,306)	(2,540)	(2,306)
Other expenses	(486)	(562)	(486)	(562)
EBITDA*	<u>(948)</u>	<u>151</u>	<u>(948)</u>	<u>151</u>
Other income	107	81	107	81
Finance costs	(1)	(1)	(1)	(1)
Depreciation and amortisation	(150)	(82)	(150)	(82)
<b>(Loss)/Profit before taxation</b>	<u>(992)</u>	<u>149</u>	<u>(992)</u>	<u>149</u>
Taxation	(47)	(87)	(47)	(87)
<b>(Loss)/Profit for the period</b>	<u>(1,039)</u>	<u>62</u>	<u>(1,039)</u>	<u>62</u>
<b>Other comprehensive income/(loss)</b>				
Exchange difference on translating foreign operations	-	(255)	-	(255)
<b>Total comprehensive (loss)/income</b>	<u>(1,039)</u>	<u>(193)</u>	<u>(1,039)</u>	<u>(193)</u>
Total (loss)/profit attributable to:				
Equity holders of the parent	(1,041)	28	(1,041)	28
Minority interests	2	34	2	34
	<u>(1,039)</u>	<u>62</u>	<u>(1,039)</u>	<u>62</u>
Total comprehensive (loss)/income attributable to :				
Equity holders of the parent	(1,041)	(158)	(1,041)	(158)
Minority interests	2	(35)	2	(35)
	<u>(1,039)</u>	<u>(193)</u>	<u>(1,039)</u>	<u>(193)</u>
(Losses)/ Earnings per share attributable to equity holders of the parent				
- Basic and Diluted (sen)	<u>(0.48)</u>	<u>0.01</u>	<u>(0.48)</u>	<u>0.01</u>

\* - 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 2014 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 FIRST QUARTER**  
**ENDED 31 MARCH 2015**

**STATEMENT OF FINANCIAL POSITION**

	<b>AS AT</b>	<b>AS AT</b>
	<b>31 MARCH 2015</b>	<b>31 DECEMBER 2014</b>
	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,156	1,017
Intangible assets	1,468	843
Deferred tax assets	-	64
<b>Current assets</b>		
Trade and other receivables	5,928	6,489
Prepayments	2,880	224
Inventories	19	19
Tax recoverable	231	182
Cash and bank balances	6,969	10,081
	<u>16,027</u>	<u>16,995</u>
<b>Current liabilities</b>		
Borrowings	21	28
Tax payable	-	257
Trade and other payables	8,636	7,575
	<u>8,657</u>	<u>7,860</u>
<b>Net current assets</b>	<u>7,370</u>	<u>9,135</u>
	<u>9,994</u>	<u>11,059</u>
<b>Financed by:</b>		
<b>Capital and reserves</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	23,154	23,154
Share premium	4,864	4,864
Treasury shares	(5,212)	(5,212)
Warrant reserve	9,445	9,445
Capital redemption reserve	4,195	4,195
Other reserves	(87)	(87)
Accumulated losses	(25,887)	(24,846)
	<u>10,472</u>	<u>11,513</u>
Non-controlling interest	(802)	(804)
Total equity	<u>9,670</u>	<u>10,709</u>
<b>Non-current liabilities</b>		
Borrowings	-	-
Deferred tax liabilities	231	135
Defined benefits obligations	93	215
	<u>9,994</u>	<u>11,059</u>
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	<u>5</u>	<u>5</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 2014 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 FIRST QUARTER  
ENDED 31 MARCH 2015

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Non-Distributable							Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Warrant Reserves RM'000	Capital Redemption Reserve RM'000	Other Reserves RM'000	Accumulated Losses RM'000			
<b>Three (3) months period ended 31 March 2015</b>										
At 1 January 2015	23,154	4,864	(5,212)	9,445	4,195	(87)	(24,846)	11,513	(804)	10,709
Comprehensive income/(loss) :										
Loss, net of tax	-	-	-	-	-	-	(1,041)	(1,041)	2	(1,039)
Other comprehensive income:										
Foreign currency translation	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	-	-	(1,041)	(1,041)	2	(1,039)
Transaction with owners:										
Treasury shares :										
Purchased	-	-	-	-	-	-	-	-	-	-
Arising from part disposal in equity interest in subsidiary companies										
Total transaction with owners	-	-	-	-	-	-	-	-	-	-
At 31 March 2015	<u>23,154</u>	<u>4,864</u>	<u>(5,212)</u>	<u>9,445</u>	<u>4,195</u>	<u>(87)</u>	<u>(25,887)</u>	<u>10,472</u>	<u>(802)</u>	<u>9,670</u>
<b>Three (3) months period ended 31 March 2014</b>										
At 1 January 2014	23,154	4,864	(4,653)	9,445	4,195	(1,277)	(17,729)	17,999	177	18,176
Comprehensive income :										
Profit, net of tax	-	-	-	-	-	-	28	28	34	62
Other comprehensive income :										
Foreign currency translation	-	-	-	-	-	(186)	-	(186)	(69)	(255)
Total comprehensive income	-	-	-	-	-	(186)	28	(158)	(35)	(193)
Transaction with owners:										
Treasury shares :										
Purchased	-	-	(559)	-	-	-	-	(559)	-	(559)
Dividends on ordinary shares										
Dividends paid to non-controlling interests	-	-	-	-	-	1,465	-	1,465	(1,117)	348
Total transaction with owners	-	-	(559)	-	-	1,465	-	906	(1,117)	(211)
At 31 March 2014	<u>23,154</u>	<u>4,864</u>	<u>(5,212)</u>	<u>9,445</u>	<u>4,195</u>	<u>2</u>	<u>(17,701)</u>	<u>18,747</u>	<u>(975)</u>	<u>17,772</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 2014 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 FIRST QUARTER**  
**ENDED 31 MARCH 2015**

**STATEMENT OF CASH FLOWS**

	<b>THREE (3) MONTHS ENDED 31 MARCH 2015 RM'000</b>	<b>THREE (3) MONTHS ENDED 31 MARCH 2014 RM'000</b>
<b>Cash flows from operating activities</b>		
(Loss)/Profit before taxation	(992)	149
Adjustments for non-cash item:		
Non-cash items	(905)	82
Non-operating items	(69)	(220)
Impairment of goodwill	-	252
Plant and equipment written off	1	1
(Loss)/Profit before working capital changes	(1,965)	264
Changes in working capital:		
Net change in current assets	(2,095)	(2,683)
Net change in current liabilities	2,186	281
Cash used in operations	(1,874)	(2,138)
Tax paid	(353)	(348)
<b>Net cash used in operating activities</b>	(2,227)	(2,486)
<b>Cash flows from investing activities</b>		
Acquisition of plant and equipment	(289)	(48)
Acquisition of intangible assets	(625)	(753)
Interest received	37	80
<b>Net cash used in investing activities</b>	(877)	(721)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	-	(559)
Interest paid	(1)	(1)
Repayment of hire purchase	(7)	(7)
<b>Net cash used in financing activities</b>	(8)	(567)
<b>Net decrease in cash and cash equivalents</b>	(3,112)	(3,774)
<b>Cash and cash equivalents at 1 January</b>	10,081	16,927
<b>Cash and cash equivalents at end of period (i)</b>	6,969	13,153

*i) Cash and cash equivalents*

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

Cash and bank balances	6,969	13,152
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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 2014 and the accompanying explanatory notes attached to the condensed consolidated interim financial statements on pages 5 to 14.