

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

The Board of Directors of mTouche Technology Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 30 September 2020 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the unaudited consolidated financial statements.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	INDIVIDUAL QUARTER QUARTER ENDED			CUMULATIVE QUARTER PERIOD ENDED		
		30.09.2020 RM'000 (unaudited)	30.09.2019 RM'000 (unaudited)	changes %	30.09.2020 RM'000 (unaudited)	30.09.2019 RM'000 (unaudited)	changes %
Revenue	A8	1,206	4,613	-73.9	1,206	4,613	-73.9
Cost of sales		<u>(933)</u>	<u>(2,159)</u>	-56.8	<u>(933)</u>	<u>(2,159)</u>	-56.8
Gross profit		273	2,454	-88.9	273	2,454	-88.9
Other income		72	147	-51.0	72	147	-51.0
Administrative expenses		(1,258)	(1,252)	0.5	(1,258)	(1,252)	0.5
Other expenses		(81)	(702)	88.5	(81)	(702)	88.5
Finance costs		<u>(23)</u>	<u>(31)</u>	-25.8	<u>(23)</u>	<u>(31)</u>	-25.8
<b>(Loss)/Profit before tax</b>		<b>(1,017)</b>	<b>616</b>	>-100.0	<b>(1,017)</b>	<b>616</b>	>-100.0
Tax income	B7	<u>-</u>	<u>821</u>	-100.0	<u>-</u>	<u>821</u>	-100.0
<b>(Loss)/Profit for the financial period</b>		<b>(1,017)</b>	<b>1,437</b>	>-100.0	<b>(1,017)</b>	<b>1,437</b>	>-100.0
<b>Other comprehensive (loss)/income:-</b>							
<b>Item that will be subsequently to profit or loss</b>							
Exchange differences on translating foreign operation, net of tax		<u>(2,299)</u>	<u>70</u>	>-100.0	<u>(2,299)</u>	<u>70</u>	>-100.0
Other comprehensive (loss)/income for the financial period, net of tax		<u>(2,299)</u>	<u>70</u>	>-100.0	<u>(2,299)</u>	<u>70</u>	>-100.0
<b>Total comprehensive (loss)/income for the financial period</b>		<b><u>(3,316)</u></b>	<b><u>1,507</u></b>	>-100.0	<b><u>(3,316)</u></b>	<b><u>1,507</u></b>	>-100.0
<b>(Loss)/Profit for the financial period attributable to:-</b>							
- Owners of the Company	B14	<u>(804)</u>	<u>1,596</u>	>-100.0	<u>(804)</u>	<u>1,596</u>	>-100.0
- Non-controlling interests		<u>(213)</u>	<u>(159)</u>	34.0	<u>(213)</u>	<u>(159)</u>	34.0
		<u><u>(1,017)</u></u>	<u><u>1,437</u></u>	>-100.0	<u><u>(1,017)</u></u>	<u><u>1,437</u></u>	>-100.0
<b>Total comprehensive (loss)/income attributable to:-</b>							
- Owners of the Company		<u>(3,683)</u>	<u>1,277</u>	>-100.0	<u>(3,683)</u>	<u>1,277</u>	>-100.0
- Non-controlling interests		<u>367</u>	<u>230</u>	59.6	<u>367</u>	<u>230</u>	59.6
		<u><u>(3,316)</u></u>	<u><u>1,507</u></u>	>-100.0	<u><u>(3,316)</u></u>	<u><u>1,507</u></u>	>-100.0

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**(CONT'D)**

	Note	INDIVIDUAL QUARTER QUARTER ENDED			CUMULATIVE QUARTER PERIOD ENDED		
		30.09.2020 RM'000 (unaudited)	30.09.2019 RM'000 (unaudited)	changes %	30.09.2020 RM'000 (unaudited)	30.09.2019 RM'000 (unaudited)	changes %
<b>(Losses)/Earnings per share attributable to the owner of the company</b>	<b>B13</b>						
Basic (sen)		<u>(0.08)</u>	<u>0.31</u>	>-74.2	<u>(0.11)</u>	<u>0.31</u>	-64.5
Diluted (sen)		<u>(0.08)</u>	<u>0.31</u>	>-74.2	<u>(0.11)</u>	<u>0.31</u>	-64.5

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	As at 30.09.2020 RM'000 (unaudited)	As at 30.06.2020 RM'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		2,302	2,683
Right-of-use assets		871	1,041
Intangible assets		38,581	39,471
Deferred tax assets		1,921	2,029
		43,675	45,224
Total non-current assets			
<b>Current assets</b>			
Trade receivables and other receivables	B17	4,632	4,383
Prepayments		1,049	1,046
Other investments		805	805
Tax recoverable		333	328
Cash and bank balances		37,232	19,189
		44,051	25,751
Total current assets			
<b>Total assets</b>		87,726	70,975
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
<b>Equity attributable to owners of the company</b>			
Share capital		142,639	121,398
Reserves		(2,634)	(335)
Accumulated losses		(59,112)	(58,309)
		80,893	62,754
Non-controlling interests		(1,580)	(1,734)
		79,313	61,020
Total equity			
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		187	626
Provision for restoration cost		-	20
Defined benefits obligations		1,468	882
		1,655	1,528
Total non-current liabilities			
<b>Current liabilities</b>			
Trade and other payables		6,625	7,410
Lease liabilities		133	467
Tax payable	B7	-	550
		6,758	8,427
Total current liabilities			
Total liabilities		8,413	9,955
<b>Total equity and liabilities</b>		87,726	70,975
<b>Net assets per share (sen)</b>		7.51	8.63



**MTOUCHE TECHNOLOGY BERHAD**  
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**(Incorporated in Malaysia)**

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	[----- Non-distributable -----]					Distributable		Non- controlling interests RM'000	Total RM'000
	Share capital RM'000	Foreign currency translation reserve RM'000	Warrants reserve RM'000	Discount on shares RM'000	Other capital reserve RM'000	Accumulated losses RM'000	Total RM'000		
As at 1 July 2020	121,397	(1,800)	20,967	(20,967)	1,465	(58,308)	62,754	(1,734)	61,020
Loss for the financial period	-	-	-	-	-	(804)	(804)	(213)	(1,017)
Other comprehensive income for the financial period									
- Exchange translation differences, net of tax	-	(2,299)	-	-	-	-	(2,299)	367	(1,932)
Total comprehensive (loss)/income for the financial period	-	(2,299)	-	-	-	(804)	(3,103)	154	(2,949)
Transaction with owners									
- Issuance of shares	21,242	-	-	-	-	-	21,242	-	21,242
As at 30 September 2020 (unaudited)	142,639	(4,099)	20,967	(20,967)	1,465	(59,112)	80,893	(1,580)	79,313



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**CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)**

	[----- Non-distributable -----]					Distributable		Non-controlling interests RM'000	Total RM'000
	Share capital RM'000	Foreign currency translation reserve RM'000	Warrants reserve RM'000	Discount on shares RM'000	Other capital reserve RM'000	Accumulated losses RM'000	Total RM'000		
As at 1 July 2019 (audited)	104,047	1,090	22,985	(22,985)	1,465	(31,492)	75,110	(1,657)	73,453
Profit/(Loss) for the financial year	-	-	-	-	-	1,596	1,596	(159)	1,437
Other comprehensive income for the financial year									
- Exchange translation differences, net of tax	-	70	-	-	-	-	70	230	300
Total comprehensive income for the financial year	-	70	-	-	-	1,596	1,666	71	1,737
As at 30 September 2019 (unaudited)	104,047	1,160	22,985	(22,985)	1,465	(29,896)	76,776	(1,586)	75,190

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**CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Period ended</b>	
	<b>30.09.2020</b>	<b>30.09.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Operating activities</b>		
Loss before tax	(1,017)	(27,064)
Adjustments for:-		
Depreciation and amortisation	622	3,893
Bad debts written off	-	714
Share based payment expenses	-	5,222
Impairment losses on financial assets	-	31,833
Impairment losses on intangible assets	-	12,547
Reversal of impairment losses on financial assets	-	(128)
Reversal of impairment losses on other investment	-	(311)
Interest expenses	23	83
Interest income	(17)	(825)
Provision of defined benefit obligation	627	175
Gain on disposal of subsidiaries	-	(21,463)
Loss on other investment	-	248
	238	4,924
Operating profit before working capital changes		
Changes in working capital:-		
Receivables	(1,778)	(42,097)
Payables	(374)	37,122
	(1,914)	(51)
Cash used in operations		
Tax paid	(168)	(618)
Tax refund	-	32
Defined benefit obligation paid	-	(221)
	(2,082)	(858)
Net cash used in operating activities		
<b>Investing activities</b>		
Additions to intangible assets	(117)	(10,135)
Purchase of property, plant and equipment	(253)	(134)
Net outflow on disposal of subsidiaries	-	(6)
Net inflow on transaction of other investments	-	4
Interest received	17	825
	(353)	(9,446)
Net cash used in investing activities		
<b>Financing activities</b>		
Interest paid	(23)	(83)
Proceeds from issuance of share capital	21,241	12,129
Repayment of lease liabilities	(603)	(660)
	20,615	11,386
Net cash from financing activities		
<b>CASH AND CASH EQUIVALENTS</b>		
Net changes	18,180	1,082
Effects of changes in foreign exchange rate	(137)	970
Brought forward	19,189	17,455
	37,232	19,507
Carried forward		

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## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING

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#### A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements outlined in Malaysia Financial Reporting Standards (“MFRS”) 134 – Interim Financial Reporting 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 audited financial statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

These explanatory notes provide an explanation of 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 30 June 2020.

The accounting policies and methods of computation used in the interim financial statements are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30 June 2020 except for the changes in accounting policies and presentation resulting from the adoption of new and revised MFRSs and amendments to MFRSs that are effective for financial periods beginning on or after 1 January 2020.

The Group has adopted the following Amendments to Standards during the financial period.

#### **MFRS effective for financial periods beginning on or after 1 January 2020**

Amendment to MFRS 3	<i>Business Combination - Definition of a Business</i>
Amendment to MFRS 101	<i>Presentation of Financial Statements: Definition of Material</i>
Amendments to MFRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material</i>

The adoption of the above pronouncements did not have material impact on the financial statements of the Group and of the Company.

The Group has not adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board:-

#### **MFRS effective for financial periods beginning on or after 1 June 2020**

Amendment to MFRS 16	<i>Leases – Covid-19 – Related Rent Concessions</i>
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#### **MFRS effective for financial periods beginning on or after 1 January 2021**

Amendment to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS4 Insurance Contract and MFRS 16 Leases – Interest Rate Benchmark Reform-Phase 2

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## CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2020

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### A1. Basis of Preparation (Cont'd)

The Group has not adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board (cont'd):-

#### **MFRS effective for financial periods beginning on or after 1 January 2022**

Amendment to MFRS 3	<i>Business Combinations- Reference to the Conceptual Framework</i>
Amendment to MFRS 116	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to MFRS 137	<i>Provisions, Contingent Liabilities and Contingent Assts – Onerous Contract – Cost of Fulfilling a Contract</i>
Amendment to MFRS 1	<i>First time Adoption of Malaysian Financial Reporting Standards -Annual Improvements to MFRS Standards 2018-2020</i>
Amendment to MFRS 9	<i>Financial Instruments - Annual Improvements to MFRS Standards 2018-2020</i>

#### **MFRS effective for financial periods beginning on or after 1 January 2023**

MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Insurance Contracts</i>
Amendment to MFRS 101	<i>Presentation of Financial Statements - Classification of liabilities as current or non-current</i>

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for the future financial years.

### A2. Auditors' Report on the Preceding Annual Financial Statements

The auditor's report on the latest audited financial statements for the financial year ended 30 June 2020 was not subject to any audit qualification.

### A3. Seasonal or Cyclical Factors of Interim Operations

The results of the Group were not materially affected by any significant seasonal or cyclical factors during the current financial quarter.

### A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the current financial quarter.

### A5. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years, which may have a material effect in the current financial quarter results.

### A6. Issues, Repurchases, and Repayments of Debt and Equity Securities

There is no issues, repurchases, and repayments of debts and equity securities of the Group during the current financial quarter and period except for:-

- a. On 10 July 2020, the Company had raised total proceeds of RM4.15 million from the private placement by issuance of 70,690,327 new ordinary shares.



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**A6. Issues, Repurchases, and Repayments of Debt and Equity Securities (Cont'd)**

There is no issues, repurchases, and repayments of debts and equity securities of the Group during the current financial quarter and period except for (cont'd):-

- b. On 24 July 2020, the issued and paid-up ordinary share capital was increased by way of issuance of 34,938,313 new ordinary shares at exercise prices of RM0.065 under MTOUCHE ESOS.
- c. On 23 September 2020, the Company had raised total proceeds of RM14.82 million from the private placement by issuance of 243,759,500 new ordinary shares.

**A7. Dividends Paid**

There were no dividends declared and paid for the current financial quarter.

**A8. Segmental Information**

The management determines that its geographical segments comprise the following markets which have similar characteristics:-

- (i) Matured markets – countries which the Group has achieved stable penetration rate including Malaysia, Thailand and Hong Kong.
- (ii) Emerging markets – countries with potential growth and penetration rate including Indonesia, Vietnam, Philippines and Cambodia.

	<b>Matured markets RM'000</b>	<b>Emerging markets RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>				
Sales to external customers	732	474	-	1,206
<b>Total revenue</b>	<b>732</b>	<b>474</b>	<b>-</b>	<b>1,206</b>
<b>Results</b>				
Loss before tax	(2,825)	(78)	1,886	(1,017)
Tax expenses	-	-	-	-
<b>Loss for the period</b>	<b>(2,825)</b>	<b>(78)</b>	<b>1,886</b>	<b>(1,017)</b>

**A9. Valuation of Property, Plant and Equipment**

The Group did not revalue any of its property, plant and equipment during the current financial quarter.

**A10. Material Events Subsequent to the End of the Quarter**

On 13 October 2020, the issued and paid-up ordinary share capital was increased by way of issuance of 41,804,672 new ordinary shares at exercise prices of RM0.055 under MTOUCHE ESOS.

On 16 October 2020, the issued and paid-up ordinary share capital was increased by way of issuance of 41,804,671 new ordinary shares at exercise prices of RM0.055 under MTOUCHE ESOS.

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**A10. Material Events Subsequent to the End of the Quarter (Cont'd)**

On 23 October 2020, the issued and paid-up ordinary share capital was increased by way of issuance of 25,082,803 new ordinary shares at exercise prices of RM0.055 under MTOUCHE ESOS.

On 19 November 2020, the Company announced that mTouche International Sdn. Bhd. (“MISB”), a wholly owned subsidiary of the Company, had entered into a Digital Distribution Agreement (the “Agreement”) with Mlabs Research Sdn. Bhd. (“Mlabs Research”), to promote, market, and distribute Novel Coronavirus (SAR-CoV-2) RP-PCR Detection and Diagnostic kit and Novel Coronavirus (SAR-CoV-2) IgM/IgG Rapid Test Kit, and other equivalent products in Malaysia through Mlabs digital distribution channel.

Other than disclosure above, there were no other material events subsequent to the end of the current financial quarter up to 20 November 2020.

**A11. Changes in Composition of the Group**

There were no other changes in the composition of the Group for the current financial quarter.

**A12. Contingent Assets or Changes on Contingent Liabilities**

There were no contingent assets or contingent liabilities since the last statement of financial position date.

**A13. Significant Related Party Transaction**

The Directors are of the opinion that there are no related party transactions which would have material impact on the financial position and the business of the Group during the current financial quarter.

**A14. Fair Value Measurement**

Refer to note 29 of AR, extract from there.

The Group does not have any financial liabilities carried at fair value nor any financial instruments classified as Level 1, Level 2 and Level 3 as at 30 September 2020.

**A15. Capital Commitments**

There were no capital commitments for the current financial quarter.

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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA SECURITIES FOR THE ACE MARKET**

**B1. Review of Performance**

**Statement of Profit & Loss and Other Comprehensive Income**

<b>Group Results</b>	<b>INDIVIDUAL QUARTER</b>			<b>CUMULATIVE QUARTER</b>		
	<b>Quarter Ended</b>			<b>Period Ended</b>		
	<b>30.09.2020</b>	<b>30.09.2019</b>	<b>Changes</b>	<b>30.09.2020</b>	<b>30.09.2019</b>	<b>Changes</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>(%)</b>	<b>RM'000</b>	<b>RM'000</b>	<b>(%)</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>		<b>(unaudited)</b>	<b>(unaudited)</b>	
Revenue	1,206	4,613	-73.9	1,206	4,613	-73.9
Gross profit	273	2,454	-88.9	273	2,454	-88.9
Loss before tax	(1,017)	616	>-100	(1,017)	616	>-100

The Group registered revenue of RM1.21 million for the three (3) months ended 30 September 2020. It marked a decrease of 73.9% or RM3.49 million as compared to preceding year quarter. Revenue from matured market recorded at RM0.73 million whereas revenue from emerging markets recorded at RM0.48 million.

The bulk of the revenue was generated mainly from:-

- mTouche (Vietnam) Co. Ltd. and Mobile Asia Vietnam Co., Ltd. on providing mobile messaging technologies, billing platforms and interactive media solutions based on wireless and internet technologies,
- mTouche (Thailand) Co., Ltd on improved messaging content services

The Company having loss before tax of RM1.02 million for the financial period, COVID-19 began as a health crisis, gradually developing into a global economic crisis at a pace and scale that we have not seen in our lifetime. The severe impact of COVID-19 and the Government's enforced Movement Control Order (MCO) of Lockdown throughout our businesses and operations in Malaysia, Thailand, Indonesia, Vietnam and Hong Kong is unprecedented. These effect was evidence on our services across the region has been badly affected.

**B2. Material Changes in Loss before Tax for the Quarter Compared with Immediate Preceding Quarter**

	<b>Quarter Ended</b>	
	<b>30.09.2020</b>	<b>30.06.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	1,206	1,664
Loss before tax	(1,017)	(22,150)

The Group recorded loss before tax of RM1.02 million during the financial quarter comparing to loss before tax RM22.15 million in the preceding quarter which largely resulted by the impairment losses on intangible assets and financial assets in preceding financial quarter.

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**B3. Commentary on Prospects**

The COVID-19 pandemic has seen the biggest surge in Malaysia with more than 50,000 confirmed cases and the Malaysian Government have re-imposed Conditional Movement Control Order (CMCO) to control the virus spread. It will remain uncertain when and how the COVID-19 pandemic can be tamed, under current circumstances, the main aim of the operational reviews will be to continue to rationalise existing revenue portfolio and achieve cost efficiency in the midst of the COVID-19 pandemic induced shifts in customers' behaviours and employees' expectations as introduced by the Management.

Core business on SMS Messaging and Contents, and Digital Media Contents, Apps and Platforms remain a challenge, but the Company have been continuously developing and improving the Digital Media Contents, Apps and Platforms. Recently, the Company have completed 2 Apps, namely Rabbita Tarot and ThaiToon which are now under Apple App Store review.

During the COVID-19 pandemic, the Group has entered into the healthcare sector to bring in COVID-19 (SAR-CoV-2) RT-PCR and Antibody test kits from various manufacturing and distribution partners in Australia, China and South Korea to assist the Government in combating this pandemic.

A total of 5 test kits were duly submitted to the Medical Devices Authority ("MDA"), a division of Ministry of Health ("MoH"), Malaysia under the Special Access Application through our appointed partner, Premier Diagnostics Sdn Bhd who possesses the MDA Establishment License and Good Distribution Practice for Medical Devices (GDPMD) License for importation and distribution.

Following our announcement made on 13 November 2020, three (3) of the Novel Coronavirus (SAR-CoV-2) RT-PCR Detection and Diagnostic Kit have been duly assessed and received final decision by MDA, under the purview of MoH, and is now "Recommended for Use".

Further to the MDA final decision on three (3) of the Novel Coronavirus (SAR-CoV-2) RT-PCR Detection and Diagnostic Kit, the Company will enter into a contract with our partner, Premier Diagnostics Sdn Bhd for the importation, warehousing and logistic support. Meanwhile, the Company will work with other distributors who possess the MDA Establishment License and GDPMD License for distribution to the public and private pathology laboratory and hospitals as recommended by MoH.

The Company had appointed MSK Medic Solution as our consultant for the application on MDA Establishment License and Good Distribution Practice for Medical Devices (GDPMD) License which will allow the Company to import and distribute the Novel Coronavirus (SAR-CoV-2) RT-PCR Detection and Diagnostic Kit directly.

**B4. Variation on Revenue or Profit Estimate, Forecast, Projection or Internal Targets**

Not applicable.

**B5. Variance of Actual Profit After Tax and Minority Interest and the Forecast Profit after Tax and Minority Interest**

Not applicable.

**B6. Shortfall in the Profit Guarantee**

Not applicable.

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**B7. Tax Income**

The Group has no tax liability during the current financial quarter.

**B8. Status of Corporate Proposals**

There were no corporate proposals announced and completed as at 20 November 2020.

**B9. Utilisation of Proceeds Raised from Corporate Proposal**

i) The proceeds raised from the renounceable rights issue with free detachable warrants amounting RM76.24 million.

Purpose	Proposed Utilisation	Actual Utilisation	Unutilised Proceeds	Intended Timeframe for Utilisation	Deviation amount		Explanation (if the deviations > 5%)
	RM'000	RM'000	RM'000		RM'000	%	
Upgrading of existing Mobile Value-Added Service Platform	2,500	2,500	-	within 12 months	-	-	N/A
Development of a Mobile Digital Ecosystem Platform	7,500	7,500	-	within 18 months	-	-	N/A
Working Capital	3,035	3,035	-	within 24 months	-	-	N/A
Acquisition of new office premises	7,500	-	7,500#	within 24 months	-	-	N/A
Regional business expansion	12,000	12,000	-	within 24 months	-	-	N/A
Acquisition and/or investment in other complementary business and/or assets	42,708	42,708	-	within 24 months	-	-	N/A
Expenses in relation to the Corporate Exercise	1,000	1,000	-	Immediate	-	-	N/A
<b>Total</b>	<b>76,243</b>	<b>68,743</b>	<b>7,500</b>				

# In the process of revising the unutilised funds term and conditions

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**B9. Utilisation of Proceeds Raised from Corporate Proposal (Cont'd)**

- ii) On 10 July 2020, the Company had raised total proceeds of RM4.15 million from the private placement by issuance of 70,690,327 new ordinary shares.

Purpose	Proposed Utilisation	Actual Utilisation	Unutilised Proceeds	Intended Timeframe for Utilisation	Deviation amount		Explanation (if the deviations > 5%)
	RM'000	RM'000	RM'000		RM'000	%	
Business expansion	3,050	-	3,050	within 12 months	-	-	N/A
General Working capital	1,000	-	1,000	within 12 months	-	-	N/A
Expenses in relation to the Proposed Private Placement	100	100	-	Immediate	-	-	N/A
<b>Total</b>	<b>4,150</b>	<b>100</b>	<b>4,050</b>				

- ii) On 23 September 2020, the Company had raised total proceeds of RM14.82 million from the private placement by issuance of 243,759,500 new ordinary shares.

Purpose	Proposed Utilisation	Actual Utilisation	Unutilised Proceeds	Intended Timeframe for Utilisation	Deviation amount		Explanation (if the deviations > 5%)
	RM'000	RM'000	RM'000		RM'000	%	
Development of OTT Media Platform	7,200	-	7,200	within 18 months	-	-	N/A
Operating expenses and working capital	7,421	-	7,421	within 24 months	-	-	N/A
Expenses in relation to the Proposed Private Placement	200	200	-	Immediate	-	-	N/A
<b>Total</b>	<b>14,821</b>	<b>200</b>	<b>14,621</b>				

**B10. Borrowings and Debts Securities**

There were no borrowings or debt securities in the Group as at 30 September 2020.

**B11. Material Litigation**

There were no significant changes in material litigation as at 20 November 2020.

**B12. Dividends**

No dividend was declared and paid during the current financial quarter.

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**B13. (Losses)/Earnings per shares**

	INDIVIDUAL QUARTER Quarter Ended		CUMULATIVE QUARTER Period Ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
(Losses)/Earnings attributable to ordinary shareholders of the Company (RM'000)	(804)	1,596	(804)	1,596
Weighted average number of ordinary shares in issue ('000)	1,056,291	508,564	734,255	508,564
Basic & diluted (losses)/earnings per share (sen)	(0.08)	0.31	(0.11)	0.31

The diluted (losses)/earnings per ordinary share is same as the basic losses per share as the average market price of the ordinary shares during the current financial quarter was lower than the exercise price of the warrants and accordingly, the effect of the assumed conversion of warrants outstanding will be anti-dilutive effect and the Company has no other dilutive potential ordinary shares in issue as at the end of the current financial quarter.

**B14. Note to the Statements of Profit or Loss and Other Comprehensive Income**

(Loss)/Profit before tax has been determined after (crediting)/charging, amongst others, the followings items:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2020 RM'000	Preceding Year Quarter 30.09.2019 RM'000	Current Year To Date 30.09.2020 RM'000	Preceding Year To Date 30.09.2019 RM'000
Interest income	(17)	-	(17)	-
Other income	(55)	(147)	(55)	(147)
Depreciation and amortisation	622	481	622	481
Foreign exchange losses	793	555	793	555
Interest expenses	23	31	23	31
Provision of defined benefit obligation	627	-	627	-

Save for the above, the other items as required under Chapter 9 Appendix 9B (16) of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

**B15. Foreign Currency Risk Management**

The Group does not enter into any foreign currency contracts during the current financial quarter.



**MTOUCHE TECHNOLOGY BERHAD**  
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**B16. Trade Receivables**

	<b>As at 30.09.2020 RM'000 (unaudited) RM'000</b>	<b>As at 30.06.2020 RM'000 (audited) RM'000</b>
Neither past due nor impaired	728	572
Past due but not impaired:		
1-30 days	106	465
31-60 days	666	338
61-90 days	41	7
More than 365 days	-	5,498
Past due and impaired	17,442	13,536
	<b>18,983</b>	<b>20,416</b>

**By Order of the Board,**

**NG SALLY (MAICSA 7060343)**  
**TEO MEE HUI (MAICSA 7050642)**  
**Company Secretary**  
**27 November 2020**