

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2020

The Board of Directors of mTouche Technology Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 31 December 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		
		31.12.2020 RM'000 (unaudited)	31.12.2019 RM'000 (unaudited)	changes %	31.12.2020 RM'000 (unaudited)	31.12.2019 RM'000 (unaudited)	changes %
Revenue	A8	1,217	1,750	-30.5	2,423	6,363	-61.9
Cost of sales		<u>(961)</u>	<u>(1,625)</u>	-40.9	<u>(1,894)</u>	<u>(3,784)</u>	-49.9
Gross profit		256	125	>100.0	529	2,579	-79.5
Other income		117	150	-22.0	189	297	-36.4
Administrative expenses		(1,181)	(1,678)	-29.6	(2,439)	(2,928)	-16.7
Other expenses		(2,689)	(1,516)	77.4	(2,770)	(2,218)	24.9
Finance costs		<u>-</u>	<u>(79)</u>	-100.0	<u>(23)</u>	<u>(110)</u>	-79.1
Loss before tax		(3,497)	(2,998)	16.6	(4,514)	(2,380)	89.7
Tax (expenses)/income	B7	<u>-</u>	<u>(523)</u>	-100.0	<u>-</u>	<u>298</u>	-100.0
Loss for the financial period		(3,497)	(3,521)	-0.7	(4,514)	(2,082)	>100.0
Other comprehensive income/(loss):- Item that will be subsequently to profit or loss							
Exchange differences on translating foreign operation, net of tax		<u>732</u>	<u>(25)</u>	>-100.0	<u>(1,567)</u>	<u>45</u>	>-100.0
Other comprehensive income/(loss) for the financial period, net of tax		<u>732</u>	<u>(25)</u>	>-100.0	<u>(1,567)</u>	<u>45</u>	>-100.0
Total comprehensive (loss)/income for the financial period		<u>(2,765)</u>	<u>(3,546)</u>	-22.0	<u>(6,081)</u>	<u>(2,037)</u>	>100.0
Loss for the financial period attributable to:-							
- Owners of the Company	B14	<u>(3,528)</u>	<u>(3,404)</u>	3.6	<u>(4,332)</u>	<u>(1,989)</u>	>100.0
- Non-controlling interests		<u>31</u>	<u>(117)</u>	>-100.0	<u>(182)</u>	<u>(93)</u>	95.7
		<u>(3,497)</u>	<u>(3,521)</u>	-0.7	<u>(4,514)</u>	<u>(2,082)</u>	>100.0
Total comprehensive loss attributable to:-							
- Owners of the Company		<u>(2,637)</u>	<u>(3,546)</u>	-25.6	<u>(6,320)</u>	<u>(2,266)</u>	>100.0
- Non-controlling interests		<u>(128)</u>	<u>-</u>	100.0	<u>239</u>	<u>229</u>	4.4
		<u>(2,765)</u>	<u>(3,546)</u>	-22.0	<u>(6,081)</u>	<u>(2,037)</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		
		31.12.2020 RM'000 (unaudited)	31.12.2019 RM'000 (unaudited)	changes %	31.12.2020 RM'000 (unaudited)	31.12.2019 RM'000 (unaudited)	changes %
Losses per share attributable to the owner of the company	B13						
Basic (sen)		<u>(0.30)</u>	<u>(0.67)</u>	-54.8	<u>(0.51)</u>	<u>(0.39)</u>	31.0
Diluted (sen)		<u>(0.30)</u>	<u>(0.67)</u>	-54.8	<u>(0.51)</u>	<u>(0.39)</u>	31.0

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2020 RM'000 (unaudited)	As at 30.06.2020 RM'000 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	1,851	2,683
Right-of-use assets	1,101	1,041
Intangible assets	37,909	39,471
Deferred tax assets	1,963	2,029
	42,824	45,224
Total non-current assets		
Current assets		
Trade receivables and other receivables	13,107	4,383
Prepayments	994	1,046
Other investments	805	805
Tax recoverable	337	328
Cash and bank balances	32,776	19,189
	48,019	25,751
Total current assets		
Total assets	90,843	70,975
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the company		
Share capital	150,121	121,398
Reserves	(1,902)	(335)
Accumulated losses	(62,640)	(58,309)
	85,579	62,754
Non-controlling interests	(1,677)	(1,734)
	83,902	61,020
Total equity		
LIABILITIES		
Non-current liabilities		
Lease liabilities	8	626
Provision for restoration cost	-	20
Defined benefits obligations	1,414	882
	1,422	1,528
Total non-current liabilities		
Current liabilities		
Trade and other payables	4,878	7,410
Lease liabilities	641	467
Tax payable	-	550
	5,519	8,427
Total current liabilities		
Total liabilities	6,941	9,955
Total equity and liabilities	90,843	70,975
Net assets per share (sen)	7.20	8.63



MTOUCHE TECHNOLOGY BERHAD
Registration No.: 200401017892 (656395-X)
(Incorporated in Malaysia)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	[----- Non-distributable -----]						Distributable			
	Share capital RM'000	Employee shares option reserve 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	Non-controlling interests RM'000	Total RM'000
As at 1 July 2020	121,398	-	(1,800)	20,967	(20,967)	1,465	(58,308)	62,755	(1,734)	61,021
Loss for the financial period	-	-	-	-	-	-	(4,332)	(4,332)	(182)	(4,514)
Other comprehensive loss for the financial period										
- Exchange translation differences, net of tax	-	-	(1,567)	-	-	-	-	(1,567)	239	(1,328)
Total comprehensive (loss)/income for the financial period	-	-	(1,567)	-	-	-	(4,332)	(5,899)	57	(5,842)
Transaction with owners										
- Expiry of Warrant C	-	-	-	(20,967)	20,967	-	-	-	-	-
- Issuance of share capital	18,970	-	-	-	-	-	-	18,970	-	18,970
- Shares option grant	-	8,249	-	-	-	-	-	8,249	-	8,249
- Shares option exercised	9,753	(8,249)	-	-	-	-	-	1,504	-	1,504
	28,723	-	-	-	-	-	-	28,723	-	28,723
As at 31 December 2020 (unaudited)	150,121	-	(3,367)	-	-	1,465	(62,640)	85,579	(1,677)	83,902



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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
Loss for the financial year	-	-	-	-	-	(1,990)	(1,990)	(94)	(2,084)
Other comprehensive income for the financial year	-	-	-	-	-	-	-	-	-
- Exchange translation differences, net of tax	-	45	-	-	-	-	45	230	275
Total comprehensive income/(loss) for the financial year	-	45	-	-	-	(1,990)	(1,945)	136	(1,809)
As at 31 December 2019 (unaudited)	104,047	1,135	22,985	(22,985)	1,465	(33,482)	73,165	(1,521)	71,644

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CONSOLIDATED STATEMENT OF CASH FLOWS

	31.12.2020	Period ended
	RM'000	31.12.2019
	(unaudited)	RM'000
		(unaudited)
Operating activities		
Loss before tax	(4,514)	(2,382)
Adjustments for:-		
Depreciation and amortisation	1,245	1,242
Impairment losses on financial assets	-	166
Interest expenses	23	110
Interest income	(37)	(4)
Provision of defined benefit obligation	556	81
Shares based payment expenses	1,504	-
Unrealised loss on foreign exchange	-	546
	(1,223)	(241)
Operating loss before working capital changes		
Changes in working capital:-		
Receivables	(8,764)	2,823
Payables	(2,132)	1,534
	(12,119)	4,116
Cash (used in)/generated from operations		
Tax paid	(304)	(555)
Defined benefit obligation paid	-	(221)
	(12,423)	3,340
Net cash (used in)/from operating activities		
Investing activities		
Additions to intangible assets	(194)	-
Purchase of property, plant and equipment	(421)	(65)
Interest received	37	4
	(578)	(61)
Net cash used in investing activities		
Financing activities		
Interest paid	(23)	(110)
Proceeds from issuance of share capital	27,219	-
Repayment of lease liabilities	(504)	(319)
	26,692	(429)
Net cash from/(used in) financing activities		
CASH AND CASH EQUIVALENTS		
Net changes	13,691	2,850
Effects of changes in foreign exchange rate	(104)	60
Brought forward	19,189	17,455
	32,776	20,365
Carried forward		

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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

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 (“FYE”) 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 FYE 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 FYE 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>

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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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 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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2020

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 has 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 has raised total proceeds of RM14.82 million from the private placement by issuance of 243,759,500 new ordinary shares.
- d. On 13 October 2020, the issued and paid-up ordinary share capital has increased by way of issuance of 41,804,672 new ordinary shares at exercise price of RM0.055 pursuant to MTOUCHE ESOS.
- e. On 23 October 2020, the issued and paid-up ordinary share capital has increased by way of issuance of 25,082,803 new ordinary shares at exercise price of RM0.055 pursuant to MTOUCHE ESOS.

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.

	Matured markets RM'000	Emerging markets RM'000	Elimination RM'000	Total RM'000
Revenue				
Sales to external customers	1,339	1,084	-	2,423
Total revenue	1,339	1,084	-	2,423
Results				
Loss before tax	(6,379)	(20)	1,885	(4,514)
Tax expenses	-	-	-	-
Loss for the period	(6,379)	(20)	1,885	(4,514)

A9. Valuation of Property, Plant and Equipment

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

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A10. Material Events Subsequent to the End of the Quarter

On 15 January 2021, the Company has raised total proceeds of RM7.20 million from the private placement by issuance of 116,498,000 new ordinary shares.

On 29 January 2021, the issued and paid-up ordinary share capital has increased by way of issuance of 42,474,481 new ordinary shares at exercise price of RM0.060 pursuant to MTOUCHE ESOS.

On 5 February 2021, the Company had announced that the Company proposes to undertake the following:-

- (i) proposed diversification of the existing business of the Company and its subsidiaries to include the businesses relating to the healthcare industry;
- (ii) proposed consolidation of every existing 10 ordinary shares in mTouche into 1 Share;
- (iii) proposed renounceable rights issue of up to 794,374,098 new Shares together with up to 397,187,049 free detachable warrants in mTouche on the basis of 6 Rights Shares together with 3 free Warrants D for every 1 existing Consolidated Share held by the entitled shareholders on an entitlement date to be determined; and
- (iv) proposed extension of timeframe for the utilisation of the remaining proceeds raised from the rights issue exercise that was completed on 9 November 2017.

Other than disclosure above, there were no other material events subsequent to the end of the current financial quarter up to 20 February 2021.

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

The financial assets maturing within the next 12 months reasonably approximate their fair values due to the relatively short-term maturity of the financial instruments.

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A14. Fair Value Measurement (Cont'd)

Fair value hierarchy

The table below analyses financial instrument carried at fair value, by valuation method. The different levels have been defined as follows:-

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	As at 31.12.2020 RM'000 (unaudited)	As at 30.06.2020 RM'000 (audited)
	RM'000	RM'000
<u>Level 1</u>		
Other investments	805	805

There were no transfers between level 1 and level 2 in the reporting period.

The carrying amounts of other financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date except as indicated in their respective notes.

The Group does not have any financial liabilities carried at fair value nor any financial instruments classified as Level 2 and Level 3 as at 31 December 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

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Quarter Ended			Period Ended		
Group Results	31.12.2020	31.12.2019	Changes	31.12.2020	31.12.2019	Changes
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
	(unaudited)	(unaudited)		(unaudited)	(unaudited)	
Revenue	1,217	1,750	-30.5	2,423	6,363	-61.9
Gross profit	256	125	>100.0	529	2,579	-79.5
Loss before tax	(3,497)	(2,998)	16.6	(4,514)	(2,380)	89.7

The Group registered revenue of RM1.22 million for the three (3) months ended 31 December 2020. It marked a decrease of 30.5% or RM0.53 million as compared to preceding year quarter. Revenue from matured market recorded at RM0.61 million whereas revenue from emerging markets recorded at RM0.61 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 RM4.51 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), Lockdown or Curfew 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

	Quarter Ended	
	31.12.2020	30.09.2020
	RM'000	RM'000
	(unaudited)	(unaudited)
	RM'000	RM'000
Revenue	1,217	1,206
Loss before tax	(3,497)	(1,017)

The Group recorded loss before tax of RM3.50 million during the financial quarter comparing to loss before tax RM1.02 million in the preceding quarter which largely resulted by the share based payment expenses of RM1.50 million in current financial quarter.

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B3. Commentary on Prospects

These effect of COVID-19 was evidenced on our services across the region that we served include the completed Iconic Sports Apps, Global Data SIM and existing SMS and Apps subscription-based content, which includes some of the newly developed marketing platform has been badly affected.

Delays in receivables, decreases in demand contributing to declines in revenue, adaptation to new operations and processes, as well as clarity about the new normal and the subsequent expectations of the Government of respective country we served had created other challenges to the Management and the Group.

The advent of COVID-19 has revealed potential weak links in our sector, and the pace and significance of solving these weak links had changed dramatically, pushing forward many decisions and discussions.

Although it remains uncertain when and how the COVID-19 pandemic can be tamed, under current circumstances, the main aim of the operational reviews will be 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.

A top-down cash management processes, re-prioritizing of business activities, enhancing remotes working approaches with technical and connectivity support has been carried out to find changes or improvisations to ride the waves of adversities.

The Group has entered into the healthcare sector during this COVID-19 pandemic and is engaged in importation and distribution of 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 for approval. Following our announcement made on 13 November 2020, our Novel Coronavirus (SAR-CoV-2) RT-PCR Detection and Diagnostic Kit have been duly assessed and received final decision and approval by MDA, under the purview of MoH, and is now "Recommended for Use".

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 (Expenses)/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 February 2021.

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
Total	76,243	68,743	7,500				

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	-	-
General Working capital	1,000	-	1,000	within 12 months	-	-
Expenses in relation to the Proposed Private Placement	100	100	-	Immediate	-	-
Total	4,150	100	4,050			

iii) 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	7,000	200	within 18 months	-	-
Operating expenses and working capital	7,421	-	7,421	within 24 months	-	-
Expenses in relation to the Proposed Private Placement	200	200	-	Immediate	-	-
Total	14,821	7,200	7,621			

B10. Borrowings and Debts Securities

There were no borrowings or debt securities in the Group as at 31 December 2020.

B11. Material Litigation

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

B12. Dividends

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

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B13. Losses per shares

	INDIVIDUAL QUARTER Quarter Ended		CUMULATIVE QUARTER Period Ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Losses attributable to ordinary shareholders of the Company (RM'000)	(3,528)	(3,404)	(4,332)	(1,989)
Weighted average number of ordinary shares in issue ('000)	1,164,984	508,564	845,754	508,564
Basic & diluted losses per share (sen)	(0.30)	(0.67)	(0.51)	(0.39)

The diluted losses 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 31.12.2020 RM'000	Preceding Year Quarter 31.12.2019 RM'000	Current Year To Date 31.12.2020 RM'000	Preceding Year To Date 31.12.2019 RM'000
Interest income	(20)	(4)	(37)	(4)
Other income	(97)	(146)	(152)	(293)
Depreciation and amortisation	622	761	1,245	1,242
Foreign exchange losses/(gain)	56	(20)	850	546
Interest expenses	-	78	23	110
Provision of defined benefit obligation	-	-	556	-

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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(Incorporated in Malaysia)

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B16. Trade Receivables

	As at 31.12.2020 RM'000 (unaudited) RM'000	As at 30.06.2020 RM'000 (audited) RM'000
Neither past due nor impaired	783	572
Past due but not impaired:		
1-30 days	99	465
31-60 days	648	338
61-90 days	-	7
More than 365 days	-	5,498
Past due and impaired	19,460	13,536
	20,990	20,416

By Order of the Board,

NG SALLY (MAICSA 7060343)
TEO MEE HUI (MAICSA 7050642)
Company Secretary
26 February 2021