

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2022

The Board of Directors of mTouche Technology Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 30 September 2022 which should be read in conjunction with the audited consolidated financial statements for the financial period ended 30 September (“FPE”) 2021 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 | | CUMULATIVE QUARTER | |
|--|------------|--|--|---|---|
| | | Current Period Quarter 30.09.2022 RM'000 | Preceding Year Quarter 30.09.2021 RM'000 | Current Period-to-date 30.09.2022 RM'000 | Preceding Year-to-date 30.09.2021 RM'000 |
| Revenue | A10 | 4,968 | N/A | 19,741 | N/A |
| Cost of sales | | (1,687) | N/A | (15,149) | N/A |
| Gross profit | | 3,281 | - | 4,592 | - |
| Other income | | 1,067 | N/A | 2,127 | N/A |
| Administrative expenses | | (2,471) | N/A | (4,381) | N/A |
| Other expenses | | (8,705) | N/A | (12,406) | N/A |
| Finance costs | | (132) | N/A | (235) | N/A |
| Loss before tax | | (6,960) | N/A | (10,303) | N/A |
| Tax income | B7 | 85 | N/A | 85 | N/A |
| Loss for the financial period | | (6,875) | N/A | (10,218) | N/A |
| Other comprehensive loss:- | | | | | |
| Item that will be reclassified subsequently to profit or loss | | | | | |
| Exchange differences on translating foreign operation, net of tax | | (2,617) | N/A | (2,619) | N/A |
| Other comprehensive loss for the financial period, net of tax | | (2,617) | N/A | (2,619) | N/A |
| Total comprehensive loss for the financial period | | (9,492) | N/A | (12,837) | N/A |
| Loss for the financial period attributable to:- | | | | | |
| - Owners of the Company | B13 | (6,671) | N/A | (9,994) | N/A |
| - Non-controlling interests | | (204) | N/A | (224) | N/A |
| | | (6,875) | N/A | (10,218) | N/A |

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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

| | | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|-------------|---|---|---|---|
| | Note | Current Period Quarter 30.09.2022 RM'000 | Preceding Year Quarter 30.09.2021 RM'000 | Current Period-to-date 30.09.2022 RM'000 | Preceding Year-to-date 30.09.2021 RM'000 |
| Total comprehensive loss attributable to:- | | | | | |
| - Owners of the Company | | (9,670) | N/A | (13,016) | N/A |
| - Non-controlling interests | | 178 | N/A | 179 | N/A |
| | | (9,492) | N/A | (12,837) | N/A |
| Losses per share attributable to the owner of the company | | | | | |
| Basic (sen) | B13 | (0.72) | N/A | (1.08) | N/A |
| Diluted (sen) | | (0.72) | N/A | (1.08) | N/A |

Notes: The financial year end of the Group has been changed from 30 June to 30 September. As such, there will be no comparative financial information available for the preceding year corresponding periods.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at 30.09.2022 RM'000 (unaudited) | As at 30.09.2021 RM'000 (audited) |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 19,308 | 1,320 |
| Right-of-use assets | 644 | 845 |
| Intangible assets | 22,964 | 28,539 |
| Deferred tax assets | 2,362 | 2,305 |
| Total non-current assets | <u>45,278</u> | <u>33,009</u> |
| Current assets | | |
| Trade receivables and other receivables | 38,608 | 30,703 |
| Prepayments | 965 | 1,047 |
| Other investments | 85 | 508 |
| Tax recoverable | 351 | 264 |
| Cash and bank balances | 66,335 | 101,295 |
| Total current assets | <u>106,344</u> | <u>133,817</u> |
| Total assets | <u>151,622</u> | <u>166,826</u> |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Equity attributable to owners of the company | | |
| Share capital | 242,386 | 242,386 |
| Reserves | (4,871) | (2,252) |
| Accumulated losses | (90,079) | (80,085) |
| Non-controlling interests | <u>147,436</u> (1,731) | <u>160,049</u> (1,686) |
| Total equity | <u>145,705</u> | <u>158,363</u> |
| LIABILITIES | | |
| Non-current liabilities | | |
| Lease liabilities | 569 | 526 |
| Defined benefits obligations | 525 | 433 |
| Total non-current liabilities | <u>1,094</u> | <u>959</u> |
| Current liabilities | | |
| Trade and other payables | 4,700 | 7,128 |
| Lease liabilities | 123 | 376 |
| Total current liabilities | <u>4,823</u> | <u>7,504</u> |
| Total liabilities | <u>5,917</u> | <u>8,463</u> |
| Total equity and liabilities | <u>151,622</u> | <u>166,826</u> |
| Net assets per share (sen) | <u>15.72</u> | <u>22.40</u> |



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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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 October 2021 | 242,386 | - | (3,717) | 39,716 | (39,716) | 1,465 | (80,085) | 160,049 | (1,686) | 158,363 |
| Loss for the financial period | - | - | - | - | - | - | (9,994) | (9,994) | (224) | (10,218) |
| Other comprehensive income for the financial period | | | | | | | | | | |
| - Exchange translation differences, net of tax | - | - | (2,619) | - | - | - | - | (2,619) | 179 | (2,440) |
| Total comprehensive loss for the financial period | - | - | (2,619) | - | - | - | (9,994) | (12,613) | (45) | (12,658) |
| As at 30 September 2022 | 242,386 | - | (6,336) | 39,716 | (39,716) | 1,465 | (90,079) | 147,436 | (1,731) | 145,705 |

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 SEPTEMBER 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

| | [-----Non-distributable-----] | | | | | Distributable | | Total RM'000 | Non- controlling interests RM'000 | Total RM'000 |
|--|-------------------------------|--|---|-------------------------------|---------------------------------|---------------------------------------|---------------------------------|-----------------|--|-----------------|
| | Share capital RM'000 | Employee share 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 | | | |
| As at 1 July 2020 | 121,398 | - | (1,800) | 20,967 | (20,967) | 1,465 | (58,309) | 62,754 | (1,734) | 61,020 |
| Loss for the financial period | - | - | - | - | - | - | (22,158) | (22,158) | 10 | (22,148) |
| - Remeasurement loss on net defined liability, net of tax | - | - | - | - | - | - | 382 | 382 | - | 382 |
| - Exchange translation differences, net of tax | - | - | (1,917) | - | - | - | - | (1,917) | 38 | (1,879) |
| Total comprehensive (loss)/income for the financial period | - | - | (1,917) | - | - | - | (21,776) | (23,693) | 48 | (23,645) |
| Transaction with owners | | | | | | | | | | |
| - Expiry of Warrant C | - | - | - | (20,967) | 20,967 | - | - | - | - | - |
| - Issuance of Shares | 105,602 | - | - | - | - | - | - | 105,602 | - | 105,602 |
| - Share option granted | - | 8,249 | - | - | - | - | - | 8,249 | - | 8,249 |
| - Share option exercised | 15,386 | (8,249) | - | - | - | - | - | 7,137 | - | 7,137 |
| - Issuance of Warrant D | - | - | - | 39,716 | (39,716) | - | - | - | - | - |
| | 120,988 | - | - | 18,749 | (18,749) | - | - | 120,988 | - | 120,988 |
| As at 30 September 2021 (audited) | 242,386 | - | (3,717) | 39,716 | (39,716) | 1,465 | (80,085) | 160,049 | (1,686) | 158,363 |

Notes: The financial year end of the Group has been changed from 30 June to 30 September. As such, there will be no comparative financial information available for the preceding year corresponding periods.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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CONSOLIDATED STATEMENT OF CASH FLOWS

| | Current Period Quarter 30.09.2022 RM'000 | Preceding Year Quarter 30.09.2021 RM'000 |
|---|---|---|
| Operating activities | | |
| Loss before tax | (10,303) | N/A |
| Adjustments for:- | | |
| Depreciation and amortisation | 6,333 | N/A |
| Gain on disposal of property, plant and equipment | (92) | N/A |
| Impairment loss on financial assets | 3 | N/A |
| Impairment loss on intangible assets | 3,811 | N/A |
| Interest expenses | 235 | N/A |
| Interest income | (1,920) | N/A |
| Provision of defined benefit obligation | 141 | N/A |
| Revaluation loss on other investment | 423 | N/A |
| Unrealised gain on foreign exchange | (4,095) | N/A |
| | (5,464) | N/A |
| Operating loss before working capital changes | (5,464) | N/A |
| Changes in working capital:- | | |
| Receivables | (10,249) | N/A |
| Payables | (2,369) | N/A |
| | (18,082) | N/A |
| Cash generated from operations | (18,082) | N/A |
| Tax paid | (87) | N/A |
| | (18,169) | N/A |
| Net cash used in operating activities | (18,169) | N/A |
| Investing activities | | |
| Additions to intangible assets | (1,680) | N/A |
| Purchase of property, plant and equipment | (18,693) | N/A |
| Proceeds from disposal of property, plant and equipment | 182 | N/A |
| Interest received | 1,920 | N/A |
| | (18,271) | N/A |
| Net cash used in investing activities | (18,271) | N/A |
| Financing activities | | |
| Interest paid | (235) | N/A |
| Payment of lease liabilities | (860) | N/A |
| | (1,095) | N/A |
| Net cash used in financing activities | (1,095) | N/A |
| CASH AND CASH EQUIVALENTS | | |
| Net decrease | (37,535) | N/A |
| Effects of changes in foreign exchange rate | 2,575 | N/A |
| Brought forward | 101,295 | N/A |
| | 66,335 | N/A |
| Carried forward | 66,335 | N/A |



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CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

| | Current Period Quarter 30.09.2022 RM'000 | Preceding Year Quarter 30.09.2021 RM'000 |
|---|---|---|
| Cash and cash equivalents at the end of the financial period comprise the following:- | | |
| Cash and bank balances | 50,578 | N/A |
| Fixed deposits with maturity of three months or more | <u>15,757</u> | <u>N/A</u> |
| | <u>66,335</u> | <u>N/A</u> |

Notes: The financial year end of the Group has been changed from 30 June to 30 September. As such, there will be no comparative financial information available for the preceding year corresponding periods.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2022

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 FPE 2021 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 FPE 2021.

A2. Change in Financial Year End

In the previous financial period, the Group had changed its financial year end from 30 June to 30 September. Due to the change, the performance of the quarter ended 30 September 2022, being the four quarter of the current financial year ended 30 September 2022, was not comparable with that of the four quarter of the previous financial period ended 30 September 2021. As such, no comparative figures are presented.

A3. Accounting Policies

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 2021 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 2021.

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

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, MFRS 4 Insurance Contracts and MFRS 16 Leases – Interest Rate Benchmark Reform-Phase 2

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 Assets – 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> |

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

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A3. Accounting Policies (Cont'd)

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 2023

| | |
|------------------------|--|
| MFRS 17 | <i>Insurance Contracts</i> |
| Amendments to MFRS 4 | <i>Insurance Contracts – Extension of the temporary exemption from applying MFRS 9</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> |
| Amendment to MFRS 108 | <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i> |
| Amendments to MFRS 112 | <i>Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</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.

A4. Auditors' Report on the Preceding Annual Financial Statements

The auditor's report on the latest audited financial statements for the FPE 30 September 2021 was not subject to any audit qualification.

A5. 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.

A6. 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.

A7. 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.

A8. Issues, Repurchases, and Repayments of Debt and Equity Securities

There were no issues, repurchases, and repayments of debts and equity securities of the Group during the current financial quarter.

A9. Dividends Paid

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

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A10. 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.

The segmental information for the six (6) months are as follows:-

| | Matured markets RM'000 | Emerging markets RM'000 | Elimination RM'000 | Total RM'000 |
|-----------------------------|---------------------------------------|--|-------------------------------|-------------------------|
| Revenue | | | | |
| Sales to external customers | 19,192 | 1,171 | - | 20,363 |
| Inter-segment sales | - | - | (622) | (622) |
| Total revenue | 19,192 | 1,171 | (622) | 19,741 |
| Results | | | | |
| Loss before tax | (9,837) | (1,014) | 548 | (10,303) |
| Tax income | 85 | - | - | 85 |
| Loss for the period | (9,752) | (1,014) | 548 | (10,218) |

A11. Valuation of Property, Plant and Equipment

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

A12. Material Events Subsequent to the End of the Quarter

On 1 September 2022, MTouche had received a Winding-Up Petition dated 19 August 2022 together with the Affidavit Verifying Petition affirmed on 22 August 2022 from the Petitioner for an alleged amount RM219,197.66 purportedly due and owing to the Petitioner as at 30 June 2022 being the amount due under the Judgment dated 22 July 2020 obtained after a full trial from Kuala Lumpur High Court vide Suit No. WA-22NCvC-396-08/2017 (“Judgement”).

Under the service contract, the jurisdiction shall be at the Court of Singapore, however the Petitioner managed to file the case in the Court of Malaysia with judgement obtained in favour of the Petitioner.

MTouche rejected the invoices claim by the Petitioner as the Petitioner did not produce proof of services delivery with acceptance from the Company.

MTouche has submitted to the Appellate Court to have the Judgment dismissed, pending for case management schedule in month of October 2022.

Other than disclosure above, there were no other material events subsequent to the end of the current financial quarter up to 24 November 2022.

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A13. Changes in Composition of the Group

The Company had acquired additional 100,000 ordinary shares at par value of THB100, representing (100%) of the total issued and paid-up capital of mTouche (Thailand) Co. Ltd., a subsidiary of the Company for a total consideration of THB 10,000,000 which equivalent to RM1,234,870.

Other than disclosure above, there were no other changes in the composition of the Group for the current financial quarter up to 24 November 2022.

A14. Contingent Assets or Changes on Contingent Liabilities

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

A15. 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.

A16. 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.

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 30.09.2022 RM'000 | As at 30.09.2021 RM'000 |
|-------------------------------------|-------------------------------|-------------------------------|
| <u>Level 1</u> Other investments | 85 | 508 |

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 30 September 2022.

A17. Capital Commitments

There were no capital commitments for the current financial quarter.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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

| Group Results | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|-----------------|---|---|--|--|
| | Current Period Quarter 30.09.2022 RM'000 | Preceding Year Quarter 30.09.2021 RM'000 | Current Period Period to Date 30.09.2022 RM'000 | Preceding Year Year to Date 30.09.2021 RM'000 |
| Revenue | 4,968 | N/A | 19,741 | N/A |
| Gross profit | 3,281 | N/A | 4,592 | N/A |
| Loss before tax | (6,960) | N/A | (10,303) | N/A |

The Group revenue for the current quarter under review of is RM4.97 million. The revenue was generated mainly from:-

- mTouche (Thailand) Co. Ltd. on improved messaging content services and ThaiToon apps; and
- mTouche International Sdn. Bhd. on sales of Automated Fare Collection System.

The Group recorded loss before tax of RM6.49 million which was mainly due to depreciation of property, plant and equipment and amortisation of intangible assets of RM3.35 million, impairment loss on intangible asset of RM3.81 million.

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

| | Current Period Quarter 30.09.2022 RM'000 | Immediate Preceding Quarter 30.06.2022 RM'000 |
|-----------------|---|--|
| Revenue | 4,968 | 1,951 |
| Loss before tax | (6,960) | (480) |

The Group recorded loss before tax of RM6.96 million during the financial quarter comparing to loss before tax of RM0.48 million in the immediate preceding quarter, an increase of more than 100.0% which was due to RM0.75 million consultancy services incurred for OTT platform project, depreciation of property, plant and equipment, amortisation of intangible assets of RM3.35 million and impairment loss on intangible assets of RM3.81 million during the financial quarter.

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B3. Commentary on Prospects

The Covid-19 pandemic has had a detrimental influence on the world economy as a whole, and the Group is not immune to these impacts. The world economy is anticipated to gradually rebound in the near future as the Covid-19 pandemic progressively recedes and containment measures are relaxed, including the reopening of international borders.

Regarding the Group's core businesses, which include telco services, digital media contents, and advertising, the Group will keep putting more effort into streamlining its operations, pursuing improvements in its goods and services along with other initiatives like brand-rebuilding, continuing to release new apps to meet consumer demand, and increasing operational effectiveness.

The Group recently purchased two (2) lots of commercial properties at Troika KLCC, which is strategically located at KL City Centre for the Group's long-term sustainable recurring income business. This was done as part of the Group's diversification into Healthcare related businesses to set up its lifestyle Wellness and Recovery services. Meanwhile, the demand for Covid-19 test kits sold by the Group has decreased, and there is now more competition from other distributors and a lower profit margin.

Based on the aforementioned, the Group is cautiously anticipating the long-term policies of the Malaysian government that will lead to more consistent regulations on economic activity, clarity for corporate operations, and improved attitudes toward consumer confidence.

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.

B7. Tax Expenses

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

B8. Status of Corporate Proposals

There are no corporate proposals announced but not completed as at 24 November 2022.

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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 60 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 | 76,243 | - | | | | |

* The Group has obtained approval from the shareholders to grant the Group an additional timeframe to acquire of new office premises for further 36 months from the previous timeframe (i.e. by 9 November 2022) at the Extraordinary General Meeting held on 2 April 2021.

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

ii) On 3 June 2021, the proceeds raised from the renounceable rights issue with free detachable warrants amounting RM79.42 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 | % | |
| Expansion of the Distribution and Sale of Test Kits Business | 10,000 | 10,000 | - | Within 12 months | - | - | N/A |
| Funding for the Wellness Business | 56,000 | - | 56,000 | within 36 months | - | - | N/A |
| Working capital | 12,432 | 3,130 | 9,302 | within 24 months | - | - | N/A |
| Expenses in relation to the Corporate Exercise | 1,000 | 1,000 | - | Immediate | - | - | N/A |
| Total | 79,432 | 14,130 | 65,302 | | | | |

B10. Borrowings and Debts Securities

There were no borrowings or debt securities in the Group as at 24 November 2022.

B11. Material Litigation

On 1 September 2022, MTouche had received a Winding-Up Petition dated 19 August 2022 together with the Affidavit Verifying Petition affirmed on 22 August 2022 from the Petitioner for an alleged amount RM219,197.66 purportedly due and owing to the Petitioner as at 30 June 2022 being the amount due under the Judgment dated 22 July 2020 obtained after a full trial from Kuala Lumpur High Court vide Suit No. WA-22NCvC-396-08/2017 (“Judgement”).

Under the service contract, the jurisdiction shall be at the Court of Singapore, however the Petitioner managed to file the case in the Court of Malaysia with judgement obtained in favour of the Petitioner.

MTouche rejected the invoices claim by the Petitioner as the Petitioner did not produce proof of services delivery with acceptance from the Company.

MTouche has submitted to the Appellate Court to have the Judgement dismissed, pending for case management schedule in month of October 2022.

Other than disclosure above, there were no other significant changes in material litigation as at 24 November 2022.

B12. Dividends

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2022

B13. Losses per share

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--|--|---|---|
| | Current Period Quarter 30.09.2022 | Preceding Year Quarter 30.09.2021 | Current Period Period to Date 30.09.2022 | Preceding Year Year to Date 30.09.2021 |
| Losses attributable to ordinary shareholders of the Company (RM'000) | (6,671) | N/A | (9,994) | N/A |
| Weighted average number of ordinary shares in issue ('000) | 926,719 | N/A | 926,719 | N/A |
| Basic & diluted losses per share (sen) | (0.72) | N/A | (1.08) | N/A |

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | Current Period Quarter 30.09.2022 RM'000 | Preceding Year Quarter 30.09.2021 RM'000 | Current Period to Date 30.09.2022 RM'000 | Preceding Year to Date 30.09.2021 RM'000 |
| Interest income | (353) | N/A | (1,920) | N/A |
| Depreciation and amortisation | 3,353 | N/A | 6,333 | N/A |
| Gain on disposal of property, plant and equipment | - | N/A | (92) | N/A |
| Foreign exchange gain | (3,192) | N/A | (3,803) | N/A |
| Impairment loss on financial assets | - | N/A | 3 | N/A |
| Impairment loss on intangible assets | 3,811 | N/A | 3,811 | N/A |
| Interest expenses | 56 | N/A | 235 | N/A |

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

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B16. Trade Receivables

| | As at 30.09.2022 RM'000 (unaudited) | As at 30.09.2021 RM'000 (audited) |
|-------------------------------|--|--|
| Neither past due nor impaired | 9,763 | 13,357 |
| Past due but not impaired: | | |
| 1-30 days | 1,043 | 126 |
| 31-60 days | - | 58 |
| 61-90 days | - | 577 |
| 91-365 days | - | 18,890 |
| More than 365 days | 18,956 | - |
| Past due and impaired | (18,956) | (18,860) |
| | 10,806 | 14,148 |

By Order of the Board,

NG SALLY (MAICSA 7060343)

GOH XIN YEE (LS 0010359)

Company Secretary

30 November 2022