



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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2024

The Board of Directors of mTouche Technology Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 31 March 2024 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 September (“FYE”) 2023 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 31.03.2024 RM'000	Preceding Year Quarter 31.03.2023 RM'000	Current Period-to-date 31.03.2024 RM'000	Preceding Year-to-date 31.03.2023 RM'000
Revenue		1,381	1,488	6,618	3,981
Cost of sales		(753)	(1,018)	(5,686)	(2,427)
Gross profit		628	470	932	1,554
Other income		381	282	1,289	598
Administrative expenses		(1,541)	(1,821)	(2,651)	(2,777)
Other expenses		(103)	(4,565)	(1,646)	(7,927)
Finance costs		(111)	(64)	(276)	(68)
Loss before tax		(746)	(5,698)	(2,352)	(8,620)
Tax expenses	B7	-	-	-	-
Loss for the financial period		(746)	(5,698)	(2,352)	(8,620)
Other comprehensive loss:-					
Item that will be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operation, net of tax		(861)	179	(252)	1,710
Other comprehensive income for the financial period, net of tax		(861)	179	(252)	1,710
Total comprehensive loss for the financial period		(1,607)	(5,519)	(2,604)	(6,910)
Loss for the financial period attributable to:-					
- Owners of the Company	B13	(721)	(5,833)	(2,304)	(8,587)
- Non-controlling interests		(25)	135	(48)	(33)
		(746)	(5,698)	(2,352)	(8,620)



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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current	Preceding	Current	Preceding
	Period	Year	Period-to-date	Year-to-date
	Quarter	Quarter	31.03.2024	31.03.2023
	31.03.2024	31.03.2023		
Note	RM'000	RM'000	RM'000	RM'000
Total comprehensive loss attributable to:-				
- Owners of the Company	(1,607)	(5,348)	(2,641)	(6,962)
- Non-controlling interests	-	(171)	37	52
	<u>(1,607)</u>	<u>(5,519)</u>	<u>(2,604)</u>	<u>(6,910)</u>
Losses per share attributable to the owner of the company				
Basic (sen)	B13			
	<u>(0.08)</u>	<u>(0.63)</u>	<u>(0.25)</u>	<u>(0.93)</u>
Diluted (sen)				
	<u>(0.08)</u>	<u>(0.63)</u>	<u>(0.25)</u>	<u>(0.93)</u>

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.03.2024 RM'000 (unaudited)	As at 30.09.2023 RM'000 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	32,391	27,936
Right-of-use assets	1,343	1,705
Intangible assets	1	-*
Total non-current assets	33,735	29,641
Current assets		
Trade receivables B16	4,699	14,057
Other receivables	11,444	7,483
Other investments	112	129
Tax recoverable	335	265
Cash and bank balances	53,572	46,656
Total current assets	70,162	68,590
Total assets	103,897	98,231
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the company		
Share capital	242,386	242,386
Reserves	(5,585)	(5,333)
Accumulated losses	(158,137)	(155,833)
Non-controlling interests	78,664 (1,830)	81,220 (1,819)
Total equity	76,834	79,401
LIABILITIES		
Non-current liabilities		
Lease liabilities	497	1,071
Bank borrowings B10	9,064	-
Defined benefits obligations	741	827
Total non-current liabilities	10,302	1,898
Current liabilities		
Trade payables	5,753	13,792
Other payables	9,391	2,360
Bank borrowings B10	702	-
Lease liabilities	915	667
Tax payables	-	113
Total current liabilities	16,761	16,932
Total liabilities	27,063	18,830
Total equity and liabilities	103,897	98,231
Net assets per share (sen)	8.29	8.57

Remark:

* Less than RM1,000



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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	[----- Non-distributable -----]				Distributable				
	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	Non- controlling interests RM'000	Total RM'000
As at 1 October 2023	242,386	(6,798)	39,716	(39,716)	1,465	(155,833)	81,220	(1,819)	79,401
Loss for the financial period	-	-	-	-	-	(2,304)	(2,304)	(48)	(2,352)
Other comprehensive income for the financial period - Exchange translation differences, net of tax	-	(252)	-	-	-	-	(252)	37	(215)
Total comprehensive loss for the financial period	-	(252)	-	-	-	(2,304)	(2,556)	(11)	(2,567)
As at 31 March 2024	242,386	(7,050)	39,716	(39,716)	1,465	(158,137)	78,664	(1,830)	76,834
	[----- Non-distributable -----]				Distributable				
	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	Non- controlling interests RM'000	Total RM'000
As at 1 October 2022	242,386	(6,352)	39,716	(39,716)	1,465	(91,000)	146,499	(1,731)	144,768
Loss for the financial period	-	-	-	-	-	(8,587)	(8,587)	(33)	(8,620)
Other comprehensive income for the financial period - Exchange translation differences, net of tax	-	1,710	-	-	-	-	1,710	52	1,762
Total comprehensive loss for the financial period	-	1,710	-	-	-	(8,587)	(6,877)	19	(6,858)
As at 31 March 2023	242,386	(4,642)	39,716	(39,716)	1,465	(99,587)	139,622	(1,712)	137,910

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Period Quarter 31.03.2024 RM'000	Preceding Year Quarter 31.03.2023 RM'000
Operating activities		
Loss before tax	(2,352)	(8,620)
Adjustments for:-		
Depreciation and amortisation	859	2,594
Interest expenses	276	68
Interest income	(498)	(521)
Impairment loss on intangible assets	-	2,908
Provision of defined benefit obligation	(92)	(57)
Fair value gain on other investment	(125)	(19)
Unrealised (gain)/loss on foreign exchange	(620)	1,633
	(2,552)	(2,014)
Operating loss before working capital changes		
Changes in working capital:-		
Receivables	5,187	(1,481)
Payables	(1,036)	700
	1,599	(2,795)
Cash generated from/(used in) operations		
Tax paid	(182)	(190)
	1,417	(2,985)
Net cash from/(used in) operating activities		
Investing activities		
Additions to intangible assets	(1)	(169)
Purchase of property, plant and equipment	(4,952)	(1,253)
Investment in quoted shares	142	-
Interest received	498	521
	(4,313)	(901)
Net cash used in investing activities		
Financing activities		
Interest paid	(276)	(68)
Drawdown of term loans	10,000	-
Repayment of term loans	(234)	-
Repayment of lease liabilities	(327)	(128)
	9,163	(196)
Net cash from/(used in) financing activities		
CASH AND CASH EQUIVALENTS		
Net increase/(decrease)	6,267	(4,082)
Effects of changes in foreign exchange rate	649	(1,371)
Brought forward	46,656	66,334
	53,572	60,881
Carried forward		



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CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Current Period Quarter 31.03.2024 RM'000	Preceding Year Quarter 31.03.2023 RM'000
Cash and cash equivalents at the end of the financial period comprise the following:-		
Cash and bank balances	36,879	44,972
Fixed deposits with maturity of three months or more	16,693	15,909
	<u>53,572</u>	<u>60,881</u>

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 FYE 2023 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 2023.

A2. 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 2022 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 2022.

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

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

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A2. 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 2024

Amendments to MFRS 101	<i>Non-current Liabilities with Covenants</i>
Amendments to MFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to MFRS 107 and MFRS 7	<i>Supplier Finance Arrangements</i>
Amendment to MFRS 7	<i>Financial Instruments: - Disclosures</i>

MFRS effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	<i>Lack of Exchangeability</i>
Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associates or Join Venture</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.

A3. Auditors' Report on the Preceding Annual Financial Statements

The auditor's report on the latest audited financial statements for the FYE 2023 was not subject to any audit qualification.

A4. 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.

A5. 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.

A6. 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.

A7. 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.

A8. Dividends Paid

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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A9. Segmental Information

No segmental information is prepared as the main business segment of the Group are in matured markets – countries which the Group has achieved stable penetration rate including Malaysia, Thailand and Hong Kong.

A10. Valuation of Property, Plant and Equipment

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

A11. Material Events Subsequent to the End of the Quarter

There were no other material events subsequent to the end of the current financial quarter up to the date of this report.

A12. Changes in Composition of the Group

There were no other changes in the composition of the Group for the current financial quarter up to the date of this report.

A13. Contingent Assets or Changes on Contingent Liabilities

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

A14. 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.

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A15. 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 31.03.2024 RM'000	As at 30.09.2023 RM'000
<u>Level 1</u> Other investments	112	129

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 March 2024.

A16. 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

Group Results	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 31.03.2024 RM'000	Preceding Year Quarter 31.03.2023 RM'000	Current Period Period to Date 31.03.2024 RM'000	Preceding Year Year to Date 31.03.2023 RM'000
Revenue	1,381	1,488	6,618	3,981
Gross profit	628	470	932	1,554
Loss before tax	(746)	(5,698)	(2,352)	(8,620)

The Group revenue for the current quarter under review was RM1.38 million. The revenue was generated mainly from:-

- mTouche (Thailand) Co. Ltd. in messaging content services and ThaiToon apps; and
- mTouche International Sdn. Bhd. in sales of IT products in bulk.

The Group recorded loss before tax for the current quarter under review of RM0.75 million which was mainly due to depreciation of property, plant and equipment and amortisation of intangible assets of RM0.61 million, interest expense of RM0.28 million.

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

	Current Period Quarter 31.03.2024 RM'000	Immediate Preceding Quarter 31.12.2023 RM'000
Revenue	1,381	5,237
Loss before tax	(746)	(1,606)

The Group recorded loss before tax of RM0.75 million during the financial quarter comparing to loss before tax of RM1.61 million in the immediate preceding quarter, a decrease 53.67% which was due to depreciation of property, plant and equipment and amortisation of intangible assets of RM0.61 million, interest expense of RM0.28 million

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B3. Commentary on Prospects

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.

In recent years, the global health and wellness industry has undergone a revolution due to the pandemic and lockdown restrictions. People worldwide are now more health-conscious, adopting preventive measures for healthier lives. The healthcare and wellness industry in Malaysia mirrors this trend, with substantial growth in funding, expenditure and life expectancy.

Malaysia's healthcare and wellness sector offer a unique opportunity for those dedicated to making a positive impact. This growing sector presents a chance to contribute to a healthier and happier nation, addressing the pressing health issues that affect our communities.

The Company have started renovation works at our premise located at Troika KLCC with the initial introduction of health and wellness centre on the phase 1 and later the phase 2 on recovery centre. The Company anticipates completing the phase 1 renovation in Q4 2024 and prepare for pre-commercialisation in Q1 2025.

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 the date of this report.

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B9. Utilisation of Proceeds Raised from Corporate Proposal

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	24,740	31,260	within 36 months	-	-	N/A
Working capital	12,432	12,432	-	within 24 months	-	-	N/A
Expenses in relation to the Corporate Exercise	1,000	1,000	-	Immediate	-	-	N/A
Total	79,432	48,172	31,260				

B10. Borrowings and Debts Securities

	As at 31.03.2024 RM'000 (unaudited)	As at 30.09.2023 RM'000 (audited)
Current		
Secured:-		
- Term loans	702	-
Total current	702	-
Non-current		
Secured:-		
- Term loans	9,064	-
Total non-current	9,064	-
Total	9,766	-

B11. Material Litigation

There were no other significant changes in material litigation as at the date of this report.

B12. Dividends

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

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B13. Losses per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 31.03.2024	Preceding Year Quarter 31.03.2023	Current Period Period to Date 31.03.2024	Preceding Year Year to Date 31.03.2023
Losses attributable to ordinary shareholders of the Company (RM'000)	(721)	(5,833)	(2,304)	(8,587)
Weighted average number of ordinary shares in issue ('000)	926,719	926,719	926,719	926,719
Basic & diluted losses per share (sen)	(0.08)	(0.63)	(0.25)	(0.93)

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 31.03.2024 RM'000	Preceding Year Quarter 31.03.2023 RM'000	Current Period to Date 31.03.2024 RM'000	Preceding Year to Date 31.03.2023 RM'000
Interest income	(195)	(203)	(498)	(521)
Depreciation and amortisation	612	1,306	859	2,594
Foreign exchange (gain)/loss	(915)	(56)	(620)	1,674
Interest expenses	111	64	276	68
Impairment loss on intangible assets	-	2,908	-	2,908
Revaluation gain on other investment	(1)	(19)	(125)	(19)

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.



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B16. Trade Receivables

	As at 31.03.2024 RM'000 (unaudited)	As at 30.09.2023 RM'000 (audited)
Neither past due nor impaired	4,699	19,524
Past due but not impaired:		
1-30 days	-	3,839
31-60 days	-	4,313
More than 60 days	31,170	4,247
Past due and impaired	(31,170)	(17,866)
	4,699	14,057

By Order of the Board,

NG SALLY (MAICSA 7060343)

GOH XIN YEE (LS 0010359)

Company Secretary

30 May 2024