

M N C WIRELESS BERHAD
(REGISTRATION NO.200301033463 (635884-T))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (UNAUDITED)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
	<u>30.04.2021</u>	<u>30.04.2020</u>	<u>30.04.2021</u>	<u>30.04.2020</u>
	RM'000	RM'000	RM'000	RM'000
Revenue	4,057	4,261	21,239	20,056
Cost of sales	(3,557)	(3,632)	(17,979)	(14,665)
Gross profit	500	629	3,260	5,391
Operating expenses	(10,153)	(1,029)	(30,273)	(11,139)
Other operating income	2,378	643	9,927	1,906
Finance expenses	(11)	(14)	(50)	(45)
(Loss)/Profit before taxation	(7,286)	229	(17,136)	(3,887)
Taxation	(81)	49	(640)	(197)
(Loss)/Profit for the year	(7,367)	278	(17,776)	(4,084)
Other comprehensive income	-	-	-	-
Total comprehensive (expense)/income for the year	(7,367)	278	(17,776)	(4,084)
(Loss)/Profit after taxation attributable to owners of the Company	(7,367)	278	(17,776)	(4,084)
Total comprehensive (expense)/income attributable to owners of the Company	(7,367)	278	(17,776)	(4,084)
Earnings Per Share				
(i) Basic (Sen)	(0.51)	0.03	(1.23)	(0.48)
(ii) Diluted (Sen)	N/A	N/A	N/A	N/A

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 30 April 2020 and the accompanying explanatory notes attached to the interim financial statements.

M N C WIRELESS BERHAD
(REGISTRATION NO.200301033463 (635884-T))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2021 UNAUDITED)

	As At 30.04.2021 Unaudited RM'000	As At 30.04.2020 Audited RM'000
Assets		
Non-Current Assets		
Other investment	4,260	3,482
Property and equipment	9,682	10,421
Intangible asset	10,247	4,887
	<u>24,189</u>	<u>18,790</u>
Current Assets		
Trade receivables	5,456	6,899
Other receivables, deposits and prepayments	11,783	3,409
Current tax assets	169	148
Fixed deposits	60,467	62,772
Cash and bank balances	1,073	1,621
	<u>78,948</u>	<u>74,849</u>
Total Assets	<u><u>103,137</u></u>	<u><u>93,639</u></u>
Equity and Liabilities		
Equity		
Share capital	114,338	83,196
Irredeemable convertible preference shares	6,122	7,167
Revaluation reserve	2,716	2,748
Warrant reserve	6,075	6,075
Accumulated losses	(36,347)	(18,603)
Total Equity	<u>92,904</u>	<u>80,583</u>
Current Liabilities		
Trade payables	4,039	4,682
Other payables and accruals	4,227	6,246
Tax Payable	144	33
Finance lease payables	275	262
	<u>8,685</u>	<u>11,223</u>
Non-Current Liabilities		
Finance lease payables	657	931
Deferred taxation	891	902
Total Liabilities	<u>10,233</u>	<u>13,056</u>
Total Equity and Liabilities	<u><u>103,137</u></u>	<u><u>93,639</u></u>
No. of ordinary shares ('000)	1,758,807	1,141,151
Net assets per ordinary share (sen)	5.28	7.06

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 April 2020 and the accompanying explanatory notes attached to the interim financial statements.

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(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021 (UNAUDITED)**

	← Attributable to Owners of the Company →					→
	← Non-distributable →					
	Share Capital	Irredeemable Convertible Preference Share ("ICPS")	Revaluation Reserve	Warrant Reserve	Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 May 2020	83,196	7,167	2,748	6,075	(18,603)	80,583
<i>Transactions with owners:</i>						
Issuance of shares pursuant to conversion of ESOS	29,818	-	-	-	-	29,818
Conversion of ICPS to ordinary shares	1,324	(1,045)	-	-	-	279
Total comprehensive loss for the year	-	-	-	-	(17,776)	(17,776)
Realisation of the revaluation reserve	-	-	(32)	-	32	-
As at 30 April 2021	114,338	6,122	2,716	6,075	(36,347)	92,904
As at 1 May 2019	44,556	-	2,780	4,724	(14,363)	37,697
<i>Transactions with owners:</i>						
Issuance of ICPS	-	43,587	-	-	-	43,587
Conversion of ICPS to ordinary shares	38,640	(36,420)	-	-	-	2,220
Provision for warrants reserve	-	-	-	1,351	-	1,351
Total comprehensive loss for the period	-	-	-	-	(4,084)	(4,084)
Share issuance expenses	-	-	-	-	(188)	(188)
Realisation of revaluation reserve	-	-	(32)	-	32	-
As at 30 April 2020	83,196	7,167	2,748	6,075	(18,603)	80,583

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 30 April 2020 and the accompanying explanatory notes attached to the interim financial statements.

M N C WIRELESS BERHAD
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED
30 APRIL 2021 (UNAUDITED)**

	Curent Year To Date 30.04.2021 RM'000	Preceding Year To Date 30.04.2020 RM'000
Cash Flows from Operating Activities		
Loss before taxation	(17,136)	(3,887)
Adjustments for:-		
Non-cash items	339	4,015
Interest expenses	49	45
Interest income	(1,498)	(1,731)
Operating loss before working capital changes	(18,246)	(1,558)
Increase in trade and other receivables	(7,055)	4,325
(Decrease) / Increase in trade and other payables	(2,662)	5,673
Net cash for operations	(27,963)	8,440
Tax paid	(561)	(583)
Tax refunded	-	499
Net cash (for)/from operating activities	(28,524)	8,356
Cash Flows From Investing Activities		
Interest received	1,498	1,731
Purchase of property and equipment	(35)	(1,642)
Purchases of intangible assets	(7,186)	(5,750)
Purchase of quoted shares	(50,731)	(11,554)
Proceeds from disposal of quoted shares	56,673	9,137
Proceeds from disposal of equipment	199	-
Net cash for/(Used in) investing activities	418	(8,078)
Cash Flows From Financing Activities		
Interest paid	(49)	(45)
Proceeds from:		
- Right issue of ICPS with warrant	1,324	6,979
- Issuance of shares pursuant to conversion of ICPS	(1,045)	38,640
- Issuance of share capital pursuant of ESOS	25,285	-
- Issuance of warrants	-	1,351
Repayment of term loans and hire purchase	(262)	(188)
Net cash from financing activities	25,253	46,737
(Decrease)/Increase in cash and cash equivalents	(2,853)	47,015
Cash and cash equivalents at beginning of the financial period	64,393	17,378
Cash and cash equivalents at end of the financial period	61,540	64,393
Represented By:		
Cash and bank balances	1,073	1,621
Short term deposit with non-financial institution	60,467	62,772
	61,540	64,393

The condensed consolidated statements of cash flows should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 30 April 2020 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE QUARTERLY REPORT – 30 APRIL 2021

Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134 - Interim Financial Reporting

1. Basis of preparation

The unaudited interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Chapter 9 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 April 2020.

The accounting policies and methods of computation adopted by the Group in this interim financial statement are consistent with those adopted in the financial statements for the year ended 30 April 2020 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 May 2020. The adoption of these standards, amendments and interpretations has no material impact to these interim financial statements.

The significant accounting policies applied in the interim financial report are consistent with those adopted in the most recent audited annual financial statements for the year ended 30 April 2021 except for the effects of newly issued Malaysian Financial Reporting Standards (“MFRS”) and IC Interpretations (“IC Int.”) to be applied by all Entities Other Than Private Entities for the financial period beginning on 1 May 2020:-

MFRSs (Including The Consequential Amendments)

The Group has not applied in advance the following new MFRSs and amendments/improvements to MFRSs that have been issued by MASB but not yet effective for the current financial period beginning on or after 1 May 2020 as listed below:

MFRSs (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 16 Leases – Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform-Phase 2	1 January 2021
MFRS 1: Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS 9: Financial Instruments (Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS 3 Business Combinations – Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	1 January 2023

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group and of the Company upon adoption.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements of the Group for the financial year ended 30 April 2020 was not subject to any qualification.

3. Comments About Seasonal or Cyclical Factors

The business of the Group is not affected by any significant seasonal or cyclical factors.

4. Unusual Items Due to Their Nature, Size or Incidence

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

5. Changes in Estimates

There were no significant changes in estimates which will have a material effect in the current quarter under review.

6. Changes in Debt and Equity Securities

The increase in share capital was due to the capitalisation of the option reserve into the share capital.

7. Dividends Paid

There were no dividends paid during the current quarter under review.

8. Valuation of Property and Equipment

The Group did not revalue any of its property or equipment during the current quarter under review.

9. Subsequent Event

There were no subsequent event as at the date of this report.

10. Changes in the Composition of the Group

There were no changes in the composition of the group during the current quarter under review.

11. Contingent Assets and Contingent Liabilities

There were no material contingent assets and contingent liabilities as at the date of this report.

12. Commitments

There were no commitments as at the date of this report.

13. Significant Related Party Disclosures

There were no significant related party transactions during the current period under review.

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Securities for the ACE Market

1. Financial review for Current Quarter and Cumulative Quarter

	Individual Period (4th Quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (Amount)	Current Year to- Date	Preceding Year Corresponding Period	Changes (Amount)
	30.04.2021 RM'000	30.04.2020 RM'000	RM'000	30.04.2021 RM'000	30.04.2020 RM'000	RM'000
Revenue	4,057	4,261	(204)	21,239	20,056	1,183
Operating (Loss)/Profit	(7,275)	243	(7,518)	(17,086)	(3,842)	(13,244)
(Loss)/Profit Before Interest and Tax	(7,275)	243	(7,518)	(17,086)	(3,842)	(13,244)
(Loss)/ Profit Before Tax	(7,286)	229	(7,515)	(17,136)	(3,887)	(13,249)
(Loss)/ Profit After Tax	(7,367)	278	(7,645)	(17,776)	(4,084)	(13,692)
(Loss)/ Profit Attributable to Ordinary Equity Holder of the Company	(7,367)	278	(7,645)	(17,776)	(4,084)	(13,692)

The Group registered lower revenue for the current quarter, compared to the preceding year corresponding quarter, due to lower contribution from Wireless/Mobile Services, as a result of the on-going COVID-19 global pandemic is adverse impact on local and global economies. Higher revenue was registered for the current year, compared to preceding year due to on-going promotion of Wireless/Mobiles services to its customers.

However, The Group registered a higher loss before tax for the current year quarter/current year to date, compared to the preceding year corresponding quarter/preceding year corresponding period, due to higher operating expenditure with higher customer acquisition and business development cost coupled with increased in administrative cost and infrastructure cost, as the Group increase its revenue channels.

2. Financial review for Current Quarter and Immediate Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Changes (Amount)
	30.04.2021	31.01.2021	
	RM'000	RM'000	RM'000
Revenue	4,057	5,219	(1,162)
Operating Loss	(7,275)	(3,179)	(4,096)
Loss Before Interest and Tax	(7,275)	(3,179)	(4,096)
Loss Before Tax	(7,286)	(3,191)	(4,095)
Loss After tax	(7,367)	(3,401)	(3,966)
Loss Attributable to the Owners of the Company	(7,367)	(3,401)	(3,966)

The Group registered lower revenue for the current quarter, compared to the immediate preceding quarter, due to higher contribution from sale of Wireless/Mobile application services in the immediate preceding quarter. The on-going COVID-19 global pandemic's adverse impact on local and global economies continue to put pressure on the Group' profits, resulting in a higher Loss Before Tax for the current quarter, compared to the immediate preceding quarter coupled with recognition of fair value ESOS cost and expenses.

3. Prospects

Amid the ongoing Covid-19 virus pandemic, coupled with the general slowdown in the local & global economy, higher customer acquisition cost and keener competition amongst players in the respective business segment markets, all of which results in a challenging business environment which may result in lower revenue in the respective business segments.

Utilisation of the rights issue proceeds remain to expand the wireless and mobile application service, multimedia related service and digital related service business segments. The proceeds will be utilised to acquire licenses, to support the TAC platform, purchase the advertising panels, which comprise of LCD HD Screen, set up marketing and IT-support office for the branch office expansion.

Development of an inclusive e-commerce platform with integrated payment gateway solutions and end-to-end logistics support, through strategic business collaboration, further to Memorandum of Understanding signing agreement with M3 Technologies (Asia) Bhd, is ongoing.

Development of an online platform for leasing and short term luxury rental services for 120 units of Marina Point, Malacca, further to Memorandum of Understanding signing agreement with Sanichi Property Sdn. Bhd., is ongoing.

Collaborative partnership in producing industry desired, high quality, relevant and cutting edge feature films for both the local and international markets, further to Memorandum of Understanding signing agreement with Vision Works (M) Sdn. Bhd., is ongoing.

4. Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast or profit guarantee in any public documents.

5. Taxation

	Current Quarter		Cumulative Quarter	
	30 April 2021 RM'000	30 April 2020 RM'000	30 April 2021 RM'000	30 April 2020 RM'000
Current year tax	(92)	49	(651)	(223)
Prior year tax	-	-	-	-
Deferred tax	11	-	11	26
Tax expense	(81)	49	(640)	(197)

6. Status of Corporate Proposals

(a) Rights Issue with Warrants

Status of utilisation of proceeds raised as at 31 January 2021 from the multiple proposal pursuant to announcement that Rights Issue with Warrants has been completed on 11 November 2016, following the admission of the Warrants to the official list and the listing of and quotation for 283,420,500 Rights Shares together with 188,946,927 Warrants on the ACE Market of Bursa securities on 11 November 2016.

No	Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe For Utilisation	Deviation amount	Explanations (if the deviation is 5% or more)
#1	Wireless and mobile application services expenses	2,000,000	(1,425,000)	Within seventy-two (72) months	-	-
#2	Multimedia related service expenses - Infrastructure development expenditure	3,000,000	(1,600,000)	Within seventy-two (72) months	-	-
#3	Digital related service expenses - Purchases of advertising display panels	8,000,000	(8,000,000)	Within seventy-two (72) months	-	-
#4	Branch Expansion	4,000,000	(1,299,480)	Within seventy-two (72) months	-	-
5	Repayment of bank borrowings	2,750,000	(2,750,000)	Completed	-	-
#6	Working capital	8,021,011	(4,632,801)	Within seventy-two (72) months	-	-
7	Expenses for the Corporate Exercises	570,989	(570,989)	Completed	-	-
	Total	28,342,000	(20,278,270)			

Note:

#The Board on 25 September 2020 approved the utilization of the proceeds derived from Rights Issue with Warrants to be extended by 24 months to 11 November 2022.

(b) Private Placement

Status of utilisation the proceeds raised from the private placement of 43,489,400 ordinary shares at an issue price of RM 0.05454 each amounting to RM2,372,000 as at 31 January 2021 following the admission of the shares to the official list on ACE Market Bursa Securities on 22 August 2017 are as follows: -

No	Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Unutilised proceed (RM'000)	Timeframe for the utilization of proceed
#1	Funding for the Project	2,273	-	2,273	Within forty-eight (48) months
2	Estimated expenses for the Proposed Private Placement	99	(99)	-	Completed
	Total	2,372	(99)	2,273	

Note:

#The Board on 19 August 2020 approved the utilization of the proceeds derived from Private Placement to be extended by 12 months to 22 August 2021.

(c) Rights Issue of Irredeemable Convertible Preference Shares ("ICPS") with Warrants

The Rights Issue of Irredeemable Convertible Preference Shares with Warrants was completed with the listing of 1,497,963,330 Irredeemable Convertible Preference Shares together with 29,959,264 Warrants B on the ACE Market of Bursa securities on 13 September 2019.

No	Purpose	Proposed Utilisation	Actual Utilisation	Intended Timeframe For Utilisation	Deviation amount	Explanations (if the deviation is 5% or more)
1	Upgrading of the Company and its subsidiaries' ("Group") bulk SMS messaging platform	11,000,000	-	Within twenty-four (24) months	-	-
*2	Upgrading of the Group's premium mobile content platform	15,099,991	-	Within twenty-four (24) months	-	-
3	Development of an online property management platform	10,000,000	(3,950,000)	Within twenty-four (24) months	-	-
4	Acquisition and/or investments in other complementary business and/or assets	8,238,900	(8,052,000)	Within twenty-four (24) months	-	-
5	Expenses for the Corporate Exercises	600,009	(600,009)	Completed	-	-
	Total	44,938,900	(12,602,009)			

Note:

*Expenses for the Corporate Exercises surplus is adjusted accordingly to upgrading of the Group's premium mobile content platform.

(d) Multiple Proposal

On 9 March 2021, the Group announced the following Proposals:

- (i) proposed private placement of up to 527,642,000 new ordinary shares in the Company, representing 30% of the existing total number of issued Shares, to independent third-party investor(s) to be identified and at an issue price to be determined later.
- (ii) proposed establishment of an employees' share options scheme involving up to 30% of the total number of issued Shares of the Company (excluding treasury shares, if any) for eligible directors and employees of the Company and its subsidiaries.

On 19 March 2021, the Group announced the above Proposals was approved by Bursa Securities on 19 March 2021.

On 9 April 2021, the Group announced the above Proposals was approved by shareholders at an Extraordinary General Meeting.

As at 30 April 2021, the above proposal is pending implementation.

7. Group Borrowings and Debt Securities

	As at 4th quarter ended 30 April 2021		
	Non-current	Current	Total
	RM'000	RM'000	RM'000
Secured			
Finance lease payables	657	275	932
Total	657	275	932
	As at 4th quarter ended 30 April 2020		
	Non-current	Current	Total
	RM'000	RM'000	RM'000
Secured			
Finance lease payables	931	262	1,193
Total	931	262	1,193

8. Trade Receivables

The Group's normal trade credit terms range from 30 to 90 days term (2020: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis. There are no trade receivables from related parties. The Group use ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due of more than 6 months, which are deemed to have higher credit risk, are monitored individually.

	As at 4th quarter ended 30 April 2021				
	Current	1-3 months	3-6 months	More than 6 months	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Denominated in RM					
Trade receivables	2,935	1,287	74	1,160	5,456

9. Changes in Material Litigation

There is no material outstanding litigation as at the date of issue of these interim financial statements.

10. Dividend Payable

The Board of Directors did not recommend any dividend for the current quarter under review.

11. Off-balance sheet financial instruments

There was no financial instrument with off-balance sheet risk as at the date of this announcement.

12. (Loss)/Earnings per Share

	Current Year Quarter 30.04.2021	Preceding Year Corresponding Quarter 30.04.2020	Current Year To Date 30.04.2021	Preceding Year To Date 30.04.2020
Basic (Loss)/Earnings Per share				
(Loss)/Profit after taxation (RM'000)	(7,367)	278	(17,776)	(4,084)
Weighted average number of ordinary shares in issue ('000)	1,450,365	853,748	1,450,365	853,748
Basic (loss)/earnings per share (sen)	(0.51)	0.03	(1.23)	(0.48)

13. Basic Diluted Loss Per Share

The diluted loss per share was not applicable as the exercise price of ESOS have exceeded the average market price of ordinary shares during the financial year/period.

14. Loss Before Taxation

Loss before taxation is arrived at after charging/(crediting):-

	Current Year Quarter 30.04.2021 RM'000 (Income)/Loss	Current Year To Date 30.04.2021 RM'000 (Income)/Loss
Interest income	(213)	(1,497)
Interest expense	11	50
Allowance for expected credit loss	120	120
Amortisation of intangible assets	54	1,827
Depreciation of property, plant and equipment	178	737
Impairment (gain)/losses on investment in quoted share	(1,051)	1,433
Gain on disposal of quoted shares	(2,125)	(8,153)
Loss/(Gain) on disposal of of property, plant and equipment	3	(162)
Equity shares based payment	4,533	4,533
Allowance for doubtful debts	5	5

15. Disclosure of nature of outstanding derivatives

There was no outstanding derivative as at reporting period.

16. Disclosure of gains / losses arising from fair value changes of financial liabilities

There were no gains or losses arising from fair value changes of financial liabilities as at the reporting period.