

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 PERIOD ENDED 31 JULY 2023 (UNAUDITED)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
	31.07.2023 RM'000	31.07.2022 RM'000	31.07.2023 RM'000	31.07.2022 RM'000
Revenue	3,357	2,858	3,357	2,858
Cost of sales	(2,826)	(2,603)	(2,826)	(2,603)
Gross profit	531	255	531	255
Operating expenses	(3,269)	(1,737)	(3,269)	(1,737)
Other operating income	150	207	150	207
Operating loss	(2,588)	(1,275)	(2,588)	(1,275)
Finance expenses	(3)	(7)	(3)	(7)
Loss before taxation	(2,591)	(1,282)	(2,591)	(1,282)
Taxation	5	-	5	-
Loss for the period	(2,586)	(1,282)	(2,586)	(1,282)
Other comprehensive income:				
Realisation of revaluation reserves	13	-	13	-
Total comprehensive loss for the period	(2,573)	(1,282)	(2,573)	(1,282)
Loss attributable to owners of the Company	(2,586)	(1,282)	(2,586)	(1,282)
Total comprehensive loss attributable to owners of the Company	(2,573)	(1,282)	(2,573)	(1,282)
Loss Per Share				
(i) Basic (Sen)	(1.11)	(0.56)	(1.11)	(0.56)
(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 2023 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 31 JULY 2023 (UNAUDITED)

	As At 31.07.2023 Unaudited RM'000	As At 30.04.2023 Audited RM'000
Assets		
Non-Current Assets		
Property, plant and equipment	8,548	8,634
Intangible assets	14,552	15,614
Other investments	3,461	1,870
	<u>26,561</u>	<u>26,118</u>
Current Assets		
Trade receivables	2,734	3,065
Other receivables, deposits and prepayments	30,843	12,657
Current tax assets	723	704
Fixed deposits	24,169	44,715
Cash and bank balances	1,218	549
	<u>59,687</u>	<u>61,690</u>
Total Assets	<u><u>86,248</u></u>	<u><u>87,808</u></u>
Equity and Liabilities		
Equity		
Share capital	125,691	125,596
Irredeemable convertible preference shares	4,144	4,151
Revaluation reserve	2,588	2,601
Warrant reserve	1,351	1,351
Accumulated losses	(58,181)	(55,608)
Total Equity	<u>75,593</u>	<u>78,091</u>
Current Liabilities		
Trade payables	3,332	3,600
Other payables and accruals	6,218	4,552
Finance lease payables	213	237
Overdraft	-	391
	<u>9,763</u>	<u>8,780</u>
Non-Current Liabilities		
Finance lease payables	44	84
Deferred tax liabilities	848	853
Total Liabilities	<u>10,655</u>	<u>9,717</u>
Total Equity and Liabilities	<u><u>86,248</u></u>	<u><u>87,808</u></u>
No. of ordinary shares ('000)	233,019	232,033
Net assets per ordinary share (sen)	32.44	33.66

Notes:

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 April 2023 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 CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2023 (UNAUDITED)

	Attributable to Owners of the Company					Total Equity
	Non-distributable					
	Share Capital	Irredeemable Convertible Preference Share ("ICPS")	Revaluation Reserve	Warrant Reserve	Accumulated Losses	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Three (3) months ended 31 July 2023						
As at 1 May 2023	125,596	4,151	2,601	1,351	(55,608)	78,091
<i>Transactions with owners:</i>						
Conversion of ICPS to ordinary shares	7	(7)	-	-	-	-
Exercise of warrant C	88	-	-	-	-	88
Total transactions with owners	95	(7)	-	-	-	88
Loss after taxation	-	-	-	-	(2,586)	(2,586)
Realisation of the revaluation reserve	-	-	(13)	-	13	-
Total comprehensive loss for the period	-	-	(13)	-	(2,573)	(2,586)
As at 31 July 2023	125,691	4,144	2,588	1,351	(58,181)	75,593
Twelve (12) months ended 30 April 2023						
As at 1 May 2022	123,651	6,096	2,684	1,351	(49,046)	84,736
<i>Transactions with owners:</i>						
Conversion of ICPS to ordinary shares	1,945	(1,945)	-	-	-	-
Total transactions with owners	1,945	(1,945)	-	-	-	-
Loss after taxation	-	-	-	-	(6,645)	(6,645)
Realisation of the revaluation reserve	-	-	(83)	-	83	-
Total comprehensive loss for the year	-	-	(83)	-	(6,562)	(6,645)
As at 30 April 2023	125,596	4,151	2,601	1,351	(55,608)	78,091

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 2023 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 PERIOD ENDED 31 JULY 2023 (UNAUDITED)

	Curent Year To Date 31.07.2023 RM'000	Preceding Year To Date 31.07.2022 RM'000
Cash Flows from Operating Activities		
Loss before taxation	(2,591)	(1,282)
Adjustments for:-		
Non-cash items	2,362	784
Interest expenses	3	7
Interest income	(124)	(181)
Operating loss before working capital changes	(350)	(672)
Increase in trade and other receivables	(17,855)	(32,730)
Increase/(Decrease) in trade and other payables	1,398	(196)
Cash used in operations	(16,807)	(33,598)
Tax paid	(19)	(36)
Net Cash used in operating activities	(16,826)	(33,634)
Cash Flows From Investing Activities		
Interest received	124	181
Purchase of property,plant and equipment	(5)	(2)
Investment in quoted shares	(2,800)	-
Net cash (used in)/generated from investing activities	(2,681)	179
Cash Flows From Financing Activities		
Interest paid	(3)	(7)
Proceeds from:		
- Conversion of ICPS into ordinary shares	(7)	(11)
- Issuance of shares pursuant to conversion of ICPS	7	11
- Issuance of shares pursuant to the exercise of Warrants C	88	-
Repayment of finance lease payables	(64)	(71)
Net cash generated from/(used in) financing activities	21	(78)
Decrease in cash and cash equivalents	(19,486)	(33,533)
Cash and cash equivalents at beginning of the financial year	44,873	73,520
Cash and cash equivalents at end of the financial year	25,387	39,987
Represented By:		
Cash and bank balances	1,218	8,150
Fixed deposits	24,169	31,837
	25,387	39,987

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 April 2023 and the accompanying explanatory notes attached to the interim financial statements.

NOTES TO THE QUARTERLY REPORT – 31 JULY 2023

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 2023.

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 2023 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 May 2023 as listed below:

MFRSs (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies	1 January 2023
Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The adoption of these standards, amendments and interpretations has no material impact to these interim financial statements.

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 2023 as listed below:

MFRSs (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 101, Presentation of financial statements Non current liabilities with covenants	1 January 2024
Amendments to MFRS 16, Leases – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred to a date to be determined

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

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 2023** 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

There were no changes in debt and equity securities during the current quarter under review except for the followings: -

- (a) A total of 12,500 units of new ordinary shares ("MNC Shares") were issued and allotted on the 31 May 2023 pursuant to the conversion of 25,000 Irredeemable Convertible Preference Shares ("ICPS") at a conversion ratio of two (2) units ICPSs for one (1) unit of new MNC Share.
- (b) A total of 973,500 units of new ordinary shares ("MNC Shares") were issued and allotted during the current quarter under review pursuant to the exercise of a total of 973,500 units of warrants ("Warrants C") on the basis of one (1) unit of Warrants C for one (1) unit of new MNC Share, as listed below:

Allotment Date	No. of Warrants C	No. of MNC Shares
07/06/2023	70,000	70,000
22/06/2023	252,500	252,500
03/07/2023	50,000	50,000
18/07/2023	385,000	385,000
26/07/2023	216,000	216,000
Total	973,500	973,500

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 other material events after the end of the current quarter and financial period-to-date that have not been reflected in the interim financial 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 (1st Quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (Amount)	Current Year to- Date	Preceding Year Corresponding Period	Changes (Amount)
	31.07.2023 RM'000	31.07.2022 RM'000	RM'000	31.07.2023 RM'000	31.07.2022 RM'000	RM'000
Revenue	3,357	2,858	499	3,357	2,858	(499)
Loss Before Interest and Tax	(2,588)	(1,275)	(1,313)	(2,588)	(1,275)	(1,313)
Loss Before Tax	(2,591)	(1,282)	(1,309)	(2,591)	(1,282)	(1,309)
Loss After Tax	(2,586)	(1,282)	(1,304)	(2,586)	(1,282)	(1,304)
Loss Attributable to Ordinary Equity Holder of the Company	(2,586)	(1,282)	(1,304)	(2,586)	(1,282)	(1,304)

The Group registered higher revenue for the current quarter and year to-date, compared to the preceding year corresponding quarter and the preceding year to-date, attributed to an improving contribution from wireless and mobile services.

The Group registered a higher loss before tax for the current quarter and year to-date, compared to the preceding year corresponding quarter and the preceding year to-date, attributable to higher operating expenditure incurred in the current quarter and year-to-date.

2. Financial review for Current Quarter and Immediate Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Changes (Amount)
	31.07.2023 RM'000	30.04.2023 RM'000	RM'000
Revenue	3,357	3,772	(415)
Loss Before Interest and Tax	(2,588)	(2,533)	(55)
Loss Before Tax	(2,591)	(2,536)	(55)
Loss After tax	(2,586)	(2,473)	(113)
Loss Attributable to the Owners of the Company	(2,586)	(2,473)	(113)

The Group registered a lower revenue for the current quarter, compared to the immediate preceding quarter, attributed to a lower contribution from wireless and mobile services within the current quarter under review.

The Group registered a higher loss after tax for the current quarter as compared to immediate preceding quarter due to lower other income as compared to the immediate preceding quarter.

3. Prospects

The Group is principally engaged in sales, marketing, research and development of solutions and contents, which can be categorised into wireless and mobile application services, multimedia related service which includes provision of mobile messaging platforms for bulk short message services to enterprises as well as digital related service, which includes customised mobile applications development, social media management, web design and development and customised digital solutions.

Looking ahead, the Group will continue to pursue its on-going business strategies, aimed at ensuring long-term sustainability and growth, which are as follows:

1. The Group aims to continuously seek growth opportunities in both domestic and overseas markets. This endeavour is geared toward bolstering our market presence.
2. The Group commits to scale up our technology capabilities in order to improve its operational efficiency while exercise prudence in its expenditures.
3. The Group focuses on improving our services and products quality and innovation while we remain dedicated to engaging clients and meeting their evolving needs. This dynamic approach inherently broadens our customer base.

Premised on the above and after having considered all the relevant aspects including the overview of the Malaysia Information and Communication Technology (ICT) industry, the Board is optimistic about the prospects of the Group.

On-going strategic partnerships with business partners will add to future sustainable growth for the Group with the following collaborative initiatives: -

- Memorandum of Understanding (“MOU”) signed with Sanichi Property Sdn. Bhd. on 15 January 2018, for the purpose of:
 - i. Online leasing or short-term luxury rental service for 120 units of Marina Point, Melaka; and
 - ii. Creating and operating an online marketing or community marketplace for the public to book luxury homestays.
- MOU signed with Hot Entertainment Sdn. Bhd. (“Hot TV”) on 13 April 2022, for the purpose of:
 - i. Kick-starting its Lifestyle e-commerce Platform by expressing its interest to acquire, invest, develop or collaborate with Hot TV;
 - ii. The Lifestyle e-commerce Platform combines social media features with an e-commerce marketplace that matches buyers and merchants; and
 - iii. Aims to eliminate layers of sales channels in product adoption via a Business-to-Consumer (B2C) model.

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	
	31 July 2023 RM'000	31 July 2022 RM'000	31 July 2023 RM'000	31 July 2022 RM'000
Current year tax	-	-	-	-
Deferred tax	(5)	-	(5)	-
Tax expense	(5)	-	(5)	-

6. Status of Corporate Proposals

(a) Rights Issue with Warrants A

Status of utilisation of proceeds raised as at 31 October 2022 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 (RM'000)	Actual Utilisation (RM'000)	Intended Timeframe For Utilisation	Deviation amount	Explanations (if the deviation is 5% or more)
1	Wireless and mobile application services expenses	2,000	(1,425)	Within ninety-six (96) months	-	-
2	Multimedia related service expenses - Infrastructure development expenditure	3,000	(1,600)	Within ninety-six (96) months	-	-
3	Digital related service expenses - Purchases of advertising display panels	8,000	(8,000)	Completed	-	-
4	Branch Expansion	4,000	(1,299)	Within ninety-six (96) months	-	-
5	Repayment of bank borrowings	2,750	(2,750)	Completed	-	-
6	Working capital	8,021	(4,633)	Within ninety-six (96) months	-	-
7	Expenses for the Corporate Exercises	571	(571)	Immediate	-	-
	Total	28,342	(20,278)			

6. Status of Corporate Proposals (continued)

(b) 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 (RM'000)	Actual Utilisation (RM'000)	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	(9,900)	Within sixty (60) months	-	-
*#2	Upgrading of the Group's premium mobile content platform	15,100	(7,800)	Within sixty (60) months	-	-
#3	Development of an online property management platform	10,000	(7,950)	Within sixty (60) months	-	-
#4	Acquisition and/or investments in other complementary business and/or assets	8,239	(8,052)	Within sixty (60) months	-	-
#5	Expenses for the Corporate Exercises	600	(600)	Immediate	-	-
	Total	44,939	(34,302)			

Note:

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

#The Board, on 13 September 2023, the Board approved for an extension of time from 48 months for the utilisation to 60 months.

(c) Private Placement

Status of utilisation the proceeds raised from the private placement of 527,642,000 ordinary shares at an issue price of RM 0.0176 each amounting to RM9,286,499.20 as at 31 July 2022 following the admission of the shares to the official list on ACE Market Bursa Securities on 11 March 2022 are as follows: -

No	Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Intended Timeframe for Utilization	Deviation amount	Explanations (if the deviation is 5% or more)
#1	Development of the Lifestyle E-commerce Platform	5,500	(5,100)	Within thirty (30) months	-	-
2	Working capital for the Lifestyle E-commerce Platform	3,393	(495)	Within twenty-four (24) months	-	-
*3	Estimated expenses for the Proposals	393	(393)	Immediate	-	-
	Total	9,286	(5,988)			

6. Status of Corporate Proposals (continued)

(c) Private Placement (continued)

Note:

* Any surplus of funds following payment for the proposal expenses will be allocated to working capital for the Lifestyle E-commerce Platform.

The Board, on 10 September 2023, approved an extension of time for the utilisation of proceeds for the development of the Lifestyle E-commerce Platform from 18 months of to 30 months.

7. Group Borrowings and Debt Securities

	Non-current	Current	Total
	RM'000	RM'000	RM'000
As at 1st quarter ended 31 July 2023			
Secured			
Lease liabilities	44	213	257
Total	44	213	257
As at 1st quarter ended 31 July 2022			
Secured			
Lease liabilities	295	291	586
Total	295	291	586

8. Trade Receivables

The Group's normal trade credit terms range from 30 to 90 days term (2023: 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 1st quarter ended 31 July 2023				
	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	2,290	444	-	-	2,734

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. Basic Loss per Share

	Current Year Quarter 31.07.2023	Preceding Year Corresponding Quarter 31.07.2022	Current Year To Date 31.07.2023	Preceding Year To Date 31.07.2022
Basic Loss Per share				
Loss after taxation (RM'000)	(2,586)	(1,282)	(2,586)	(1,282)
Weighted average number of issued ordinary shares ('000) *	232,281	228,704	232,281	228,704
Basic loss per share (sen)	(1.11)	(0.56)	(1.11)	(0.56)

* The weighted average number of issued ordinary shares has been adjusted to reflect the adjustments arising from the share consolidation, which was completed on 8 November 2022 with the comparatives being restated accordingly.

13. Basic Diluted Loss Per Share

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

14. Loss Before Taxation

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

	Current Year Quarter 31.07.2023 RM'000 (Income)/Loss	Current Year To Date 31.07.2023 RM'000 (Income)/Loss
Interest income	(124)	(124)
Interest expense	3	3
Amortisation of intangible assets	1,062	1,062
Depreciation of property plant and equipment	91	91
Impairment losses on investment in quoted shares	1,209	1,209

15. Disclosure of nature of outstanding derivatives

There was no outstanding derivative as at reporting date.

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

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