

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 JANUARY 2024 (UNAUDITED)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year To Date	Preceding Year To Date
	31.01.2024 RM'000	31.01.2023 RM'000	31.01.2024 RM'000	31.01.2023 RM'000
Revenue	3,491	2,938	10,424	8,664
Cost of sales	(2,400)	(2,457)	(8,277)	(7,499)
Gross profit	1,091	481	2,147	1,165
Operating expenses	(1,622)	(1,910)	(9,026)	(5,729)
Other operating income	253	112	770	410
Operating loss	(278)	(1,317)	(6,109)	(4,154)
Finance expenses	(2)	(5)	(7)	(18)
Loss before taxation	(280)	(1,322)	(6,116)	(4,172)
Taxation	5	-	14	-
Loss for the period	(275)	(1,322)	(6,102)	(4,172)
Other comprehensive income:				
Realisation of revaluation reserves	14	-	41	-
Total comprehensive loss for the period	(261)	(1,322)	(6,061)	(4,172)
Loss attributable to owners of the Company	(275)	(1,322)	(6,102)	(4,172)
Total comprehensive loss attributable to owners of the Company	(261)	(1,322)	(6,061)	(4,172)
Loss Per Share				
(i) Basic (Sen)	(0.12)	(0.57)	(2.61)	(1.81)
(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 JANUARY 2024 (UNAUDITED)

	As At 31.01.2024 Unaudited RM'000	As At 30.04.2023 Audited RM'000
Assets		
Non-Current Assets		
Property, plant and equipment	8,805	8,634
Intangible assets	13,616	15,614
Other investments	3,850	1,870
	<u>26,271</u>	<u>26,118</u>
Current Assets		
Trade receivables	2,406	3,065
Other receivables, deposits and prepayments	27,277	12,657
Current tax assets	680	704
Terms deposits	25,306	44,715
Cash and bank balances	224	549
	<u>55,893</u>	<u>61,690</u>
Total Assets	<u>82,164</u>	<u>87,808</u>
Equity and Liabilities		
Equity		
Share capital	126,108	125,596
Irredeemable convertible preference shares	4,000	4,151
Revaluation reserve	2,560	2,601
Warrant reserve	1,351	1,351
Accumulated losses	(61,669)	(55,608)
Total Equity	<u>72,350</u>	<u>78,091</u>
Current Liabilities		
Trade payables	2,465	3,600
Other payables and accruals	6,024	4,552
Finance lease payables	127	237
Overdraft	359	391
	<u>8,975</u>	<u>8,780</u>
Non-Current Liabilities		
Finance lease payables	-	84
Deferred tax liabilities	839	853
Total Liabilities	<u>9,814</u>	<u>9,717</u>
Total Equity and Liabilities	<u>82,164</u>	<u>87,808</u>
No. of ordinary shares ('000)	236,296	232,033
Net assets per ordinary share (sen)	30.62	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 JANUARY 2024 (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
Nine (9) months ended 31 January 2024						
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	151	(151)	-	-	-	-
Conversion of warrant C to ordinary shares	361	-	-	-	-	361
Total transactions with owners	512	(151)	-	-	-	361
Loss after taxation	-	-	-	-	(6,102)	(6,102)
Realisation of the revaluation reserve	-	-	(41)	-	41	-
Total comprehensive loss for the period	-	-	(41)	-	(6,061)	(6,102)
As at 31 January 2024	126,108	4,000	2,560	1,351	(61,669)	72,350
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
(REGISTRATION NO.200301033463 (635884-T))
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2024 (UNAUDITED)

	Curent Year To Date 31.01.2024 RM'000	Preceding Year To Date 31.01.2023 RM'000
Cash Flows from Operating Activities		
Loss before taxation	(6,116)	(4,172)
Adjustments for:-		
Non-cash items	4,112	2,284
Interest expenses	7	18
Interest income	(422)	(331)
Operating loss before working capital changes	(2,419)	(2,201)
Increase in trade and other receivables	(13,961)	(50,563)
Increase/(Decrease) in trade and other payables	337	(800)
Cash used in operations	(16,043)	(53,564)
Tax paid	(31)	(89)
Tax refunded	55	-
Net Cash used in operating activities	(16,019)	(53,653)
Cash Flows From Investing Activities		
Interest received	355	17
Purchases of Intangible assets	(1,250)	-
Purchase of property,plant and equipment	(485)	(7)
Investment in quoted shares	(2,800)	(1,697)
Net withdrawal of fixed deposits	11,373	38,722
Proceeds from disposal of quoted shares	-	1,686
Proceed from disposal of property,plant and equipment	270	-
Net cash generated from investing activities	7,463	38,721
Cash Flows From Financing Activities		
Interest paid	(7)	(18)
Proceeds from:		
- Conversion of ICPS into ordinary shares	(151)	(1,897)
- Issuance of shares pursuant to conversion of ICPS	151	1,897
- Issuance of shares pursuant to the conversion of Warrants C	361	-
Repayment of finance lease payables	(194)	(202)
Net cash generated from/(used in) financing activities	160	(220)
Decrease in cash and cash equivalents	(8,396)	(15,152)
Cash and cash equivalents at beginning of the financial year	22,546	15,171
Cash and cash equivalents at end of the financial year	14,150	19
<u>Cash and cash equivalents comprise:</u>		
Cash and bank balances	224	19
Term deposits at call	25,306	19,941
Bank overdraft	(359)	-
	25,171	19,960
Less: Deposits held more than 3 months	(11,021)	(19,941)
Cash equivalents as presented in the statement of cash flows	14,150	19

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 JANUARY 2024

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 a total of 1,433,800 units of new ordinary shares ("MNC Shares") were issued and allotted during the current quarter under review pursuant to the conversion of a total of 1,433,800 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
15/11/2023	295,000	295,000
22/11/2023	366,800	366,800
30/11/2023	140,000	140,000
18/01/2024	522,000	522,000
26/01/2024	110,000	110,000
Total	1,433,800	1,433,800

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 (3rd Quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (Amount)	Current Year to- Date	Preceding Year Corresponding Period	Changes (Amount)
	31.01.2024	31.01.2023		31.01.2024	31.01.2023	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	3,491	2,938	553	10,424	8,664	1,760
Loss Before Interest and Tax	(278)	(1,317)	1,039	(6,109)	(4,154)	(1,955)
Loss Before Tax	(280)	(1,322)	1,042	(6,116)	(4,172)	(1,944)
Loss After Tax	(275)	(1,322)	1,047	(6,102)	(4,172)	(1,930)
Loss Attributable to Ordinary Equity Holder of the Company	(275)	(1,322)	1,047	(6,102)	(4,172)	(1,930)

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 lower loss before tax for the current quarter, compared to the preceding year corresponding quarter, attributable to lower operating expenditure incurred in the current quarter.

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

2. Financial review for Current Quarter and Immediate Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Changes (Amount)
	31.01.2024	31.10.2023	
	RM'000	RM'000	RM'000
Revenue	3,491	3,576	(85)
Loss Before Interest and Tax	(278)	(3,243)	2,965
Loss Before Tax	(280)	(3,245)	2,965
Loss After tax	(275)	(3,241)	2,966
Loss Attributable to the Owners of the Company	(275)	(3,241)	2,966

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 lower loss after tax for the current quarter as compared to immediate preceding quarter mainly due to lower operating expenditure 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 January 2024 RM'000	31 January 2023 RM'000	31 January 2024 RM'000	31 January 2023 RM'000
Current year tax	-	-	-	-
Deferred tax	(5)	-	(14)	-
Tax expense	(5)	-	(14)	-

6. Status of Corporate Proposals

(a) Rights Issue with Warrants A

The Company had on 11 November 2016 completed the Rights Issue with Warrants A following the admission of the Warrants A to the Official List and the listing of and quotation for 283,420,500 Right Shares together with 188,946,927 Warrants A on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

As at 31 January 2024, the status of utilisation of proceeds raised from the Rights Issue with Warrants A are as follows: -

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 B

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.

As at 31 January 2024, the status of utilisation of proceeds raised from the Rights Issue of ICPS with Warrants B are as follows: -

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	(8,900)	Within sixty (60) months	-	-
*2	Upgrading of the Group's premium mobile content platform	15,100	(10,345)	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	(35,847)			

Note:

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

6. Status of Corporate Proposals (continued)

(c) Private Placement

The Private Placement was completed on 11 March 2022 following the listing and quotation of 527,642,000 new ordinary shares at an issue price of RM 0.0176 each amounting to RM9,286,499.20 on ACE Market of Bursa Securities.

As at 31 January 2024, the status of utilisation of proceeds raised from the Private Placement 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	-	Within twenty-four (24) months	-	-
*3	Estimated expenses for the Proposals	393	(393)	Immediate	-	-
	Total	9,286	(5,493)			

Note:

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

7. Group Borrowings and Debt Securities

	Non-current RM'000	Current RM'000	Total RM'000
As at 3rd quarter ended 31 January 2024			
Secured			
Lease liabilities	-	127	127
Total	-	127	127
As at 3rd quarter ended 31 January 2023			
Secured			
Lease liabilities	144	311	455
Total	144	311	455

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 3rd quarter ended 31 January 2024				
	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	2,119	287	-	-	2,406

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 per Share

Basic Loss Per share				
	Current Year Quarter 31.01.2024	Preceding Year Corresponding Quarter 31.01.2023	Current Year To Date 31.01.2024	Preceding Year To Date 31.01.2023
Loss attributable to equity holders (RM'000)	(275)	(1,322)	(6,102)	(4,172)
Weighted average number of issued ordinary shares ('000) *	233,931	230,357	233,931	230,357
Basic loss per share (sen)	(0.12)	(0.57)	(2.61)	(1.81)

12. Loss per Share (continued)

Diluted Loss Per Share				
	Current Year Quarter 31.01.2024	Preceding Year Corresponding Quarter 31.01.2023	Current Year To Date 31.01.2024	Preceding Year To Date 31.01.2023
Loss attributable to equity holders (RM'000)	(275)	(1,322)	(6,102)	(4,172)
Weighted average number of issued ordinary shares in issue (basis) ('000)	233,931	230,357	233,931	230,357
Effect of dilution from:				
ICPS ('000) *	-	-	-	-
Warrants B ('000) *	-	-	-	-
Warrants C ('000)	30,369	6,018	30,369	6,018
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	264,300	235,695	264,300	235,695
Diluted loss per share (sen)	(0.10)	(0.56)	(2.31)	(1.77)

* The diluted earnings/(loss) per share was not applicable as the exercise price of the ICPS / Warrants B have exceeded the average market price of ordinary shares during financial year.

14. Loss Before Taxation

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

	Current Year Quarter 31.01.2024 RM'000 (Income)/Loss	Current Year To Date 31.01.2024 RM'000 (Income)/Loss
Interest income	(227)	(422)
Interest expense	2	7
Amortisation of intangible assets	1,125	3,248
Depreciation of property plant and equipment	116	314
Gain on disposal of property, plant and equipment	-	(270)
(Reversal of) / Allowance for Impairment loss on investment in quoted shares	(554)	820

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.