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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2024

The Board of Directors of mTouche Technology Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 31 December 2024 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 September ("**FYE**") 2024 and the accompanying explanatory notes attached to the unaudited consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Note	**Current Period Quarter 31.12.2024 RM'000**	**Preceding Year Quarter 31.12.2023 RM'000**	**Current Period-to-date 31.12.2024 RM'000**	**Preceding Year-to-date 31.12.2023 RM'000**
Revenue	**A9**	1,666	5,237	1,666	5,237
Cost of sales		(1,306)	(4,933)	(1,306)	(4,933)
Gross profit		360	304	360	304
Other income		332	908	332	908
Administrative expenses		(1,319)	(1,110)	(1,319)	(1,110)
Other expenses		(949)	(1,543)	(949)	(1,543)
Finance costs		(206)	(165)	(206)	(165)
Loss before tax		**(1,782)**	**(1,606)**	**(1,782)**	**(1,606)**
Tax expenses	**B7**	-	-	-	-
Loss for the financial period		**(1,782)**	**(1,606)**	**(1,782)**	**(1,606)**
Other comprehensive income:-					
Item that will be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operation, net of tax		(252)	609	(252)	609
Other comprehensive (loss)/income for the financial period, net of tax		(252)	609	(252)	609
Total comprehensive loss for the financial period		**(2,034)**	**(997)**	**(2,034)**	**(997)**
Loss for the financial period attributable to:-					
- Owners of the Company	**B13**	(1,763)	(1,583)	(1,763)	(1,583)
- Non-controlling interests		(19)	(23)	(19)	(23)
		(1,782)	(1,606)	(1,782)	(1,606)

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Period Quarter 31.12.2024 RM'000	Preceding Year Quarter 31.12.2023 RM'000	Current Period-to-date 31.12.2024 RM'000	Preceding Year-to-date 31.12.2023 RM'000
Total comprehensive loss attributable to:-					
- Owners of the Company		(1,996)	(1,034)	(1,996)	(1,034)
- Non-controlling interests		(38)	37	(38)	37
		(2,034)	**(997)**	**(2,034)**	**(997)**
Losses per share attributable to the owner of the company	**B13**				
Basic (sen)		(0.19)	(0.17)	(0.19)	(0.17)
Diluted (sen)		(0.19)	(0.17)	(0.19)	(0.17)

MTOUCHE TECHNOLOGY BERHAD
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CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31.12.2024 RM'000 (unaudited)	As at 30.09.2024 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		31,647	31,891
Right-of-use assets		1,161	1,521
Intangible assets		1,438	1,025
Total non-current assets		34,246	34,437
Current assets			
Trade receivables	**B16**	7,467	9,498
Other receivables		6,974	2,565
Other investments		109	97
Tax recoverable		405	380
Cash and bank balances		45,531	50,241
Total current assets		60,486	62,781
Total assets		94,732	97,218
EQUITY AND LIABILTIES			
EQUITY			
Equity attributable to owners of the company			
Share capital		242,386	242,386
Reserves		130	382
Accumulated losses		(172,519)	(170,756)
		69,997	72,012
Non-controlling interests		(1,766)	(1,709)
Total equity		68,231	70,303
LIABILITIES			
Non-current liabilities			
Lease liabilities		586	933
Bank borrowings	**B10**	9,262	9,403
Defined benefits obligations		839	918
Total non-current liabilities		10,687	11,254
Current liabilities			
Trade payables		13,239	13,030
Other payables		1,864	1,765
Bank borrowings	**B10**	219	208
Lease liabilities		492	658
Total current liabilities		15,814	15,661
Total liabilities		26,501	26,915
Total equity and liabilities		94,732	97,218
Net assets per share (sen)		7.36	7.59

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		[----------- Non-distributable	-------------]	Distributable			
	Share capital RM'000	Foreign currency translation reserve 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 2024	242,386	(1,083)	1,465	(170,756)	72,012	(1,709)	70,303
Transactions with owners:-							
Loss for the financial period	-	-	-	(1,763)	(1,763)	(19)	(1,782)
Other comprehensive loss for the financial period							
- Exchange translation differences, net of tax	-	(252)	-	-	(252)	(38)	(290)
Total comprehensive loss for the financial period	-	(252)	-	(1,763)	(2,015)	(57)	(2,072)
As at 31 December 2024 (unaudited)	242,386	(1,335)	1,465	(172,519)	69,997	(1,766)	68,231

		[---------------------------- 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	-	-	-	-	-	(1,583)	(1,583)	(23)	(1,606)
Other comprehensive income for the financial period									
- Exchange translation differences, net of tax	-	609	-	-	-	-	609	37	646
Total comprehensive income/(loss) for the financial period	-	609	-	-	-	(1,583)	(974)	14	(960)
As at 31 December 2023 (unaudited)	242,386	(6,189)	39,716	(39,716)	1,465	(157,416)	80,246	(1,805)	78,441

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2024

CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Period Quarter 31.12.2024 RM'000 (unaudited)	Preceding Year Quarter 31.12.2023 RM'000 (unaudited)
Operating activities		
Loss before tax	(1,782)	(1,606)
Adjustments for:-		
Depreciation and amortisation	413	429
Interest expenses	206	165
Interest income	(169)	(303)
Provision of defined benefit obligation	(98)	(92)
Fair value gain on other investment	(12)	(126)
Unrealised (gain)/loss on foreign exchange	(162)	298
Operating loss before working capital changes	(1,604)	(1,235)
Changes in working capital:-		
Receivables	(2,661)	5,654
Payables	201	(5,344)
Cash used in operations	(4,064)	(925)
Tax paid	(21)	(193)
Net cash used in operating activities	(4,085)	(1,118)
Investing activities		
Additions to intangible assets	(386)	-
Purchase of property, plant and equipment	(4)	(1)
Investment in quoted shares	-	131
Interest received	169	303
Net cash (used in)/from investing activities	(221)	433
Financing activities		
Interest paid	(206)	(163)
Drawdown of term loans	-	10,000
Repayment of term loans	(130)	(11)
Repayment of lease liabilities	(317)	(165)
Net cash (used in)/from financing activities	(653)	9,661
CASH AND CASH EQUIVALENTS		
Net (decrease)/increase	(4,959)	8,976
Effects of changes in foreign exchange rate	249	(164)
Brought forward	50,241	46,656
Carried forward	45,531	55,468

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Current Period Quarter 31.12.2024 RM'000 (unaudited)	Preceding Year Quarter 31.12.2023 RM'000 (unaudited)
Cash and cash equivalents at the end of the financial period comprise the following:-		
Cash and bank balances	28,299	38,778
Fixed deposits with maturity of three months or more	17,232	16,690
	45,531	55,468

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 2024 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 2024.

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 2024 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 2024.

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

MFRS effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to MFRS 101	*Presentation of Financial Statements - Non-Current Liabilities with Covenants*
Amendments to MFRS 101	*Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current*
Amendments to MFRS 107 and MFRS 7	*Statement of Cash Flows and Financial Instruments - Disclosures - Supplier Finance Arrangement*

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

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 2025

Amendments to MFRS 121	*The Effect of Changes in Foreign Exchange Rates - Lack of Exchangeability*

MFRS effective for financial periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7	*Financial Instruments and Financial Instruments - Disclosures: Classification and Measurement of Financial Instruments*
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	*First Time Adoption of Malaysian Financial Reporting Standards, Financial Instruments - Disclosures, Financial Instruments, Consolidated Financial Statements and Statement of Cash Flows*

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 (cont'd):-

MFRS effective for financial periods beginning on or after 1 January 2027

MFRS 18	*Presentation and Disclosure in Financial Statements*
MFRS 19	*Subsidiaries without Public Accountability - Disclosures*

Amendments to MFRSs effective date deferred indefinitely

Amendments to MFRS 10 and 128	*Consolidated Financial Statements and Investment in Associate and Joint Venture - Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures*

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 2024 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 year, 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.

A9. Segmental Information

The management determines that its geographical segments comprise the following markets which have similar characteristics:-

(i) Information technology ("IT") and telecommunications – provision of mobile applications and related technology services

(ii) IT product trading– trade IT hardware and software in Malaysia.

(iii) Healthcare – distribution and sale of Covid-19 rapid antigen test kits as well as other businesses which are related to the healthcare industry in Malaysia

The segmental information are as follows:-

	Mobile service RM'000	Trading RM'000	Healthcare RM'000	Elimination RM'000	Total RM'000
Revenue					
External revenue	1,666	-	-	-	1,666
Inter-segment	-	-	-	-	-
Total revenue	1,666	-	-	-	1,666
Results					
Loss before tax	(1,350)	-	(432)	-	(1,782)
Tax expenses	-	-	-	-	-
Loss for the period	(1,350)	-	(432)	-	(1,782)

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

On 3 January 2025, the Company received a notice dated 3 January 2025 issued by the Registrar of Companies confirming that all requirement with respect to the reduction of the issued Share Capital of Mtouche of RM203 million pursuant to Section 117 of the Companies Act 2016 ("Capital Reduction") had been complied with. Accordingly, the Capital Reduction took effect on 3 January 2025.

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.

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 31.12.2024 RM'000 (unaudited)	**As at 30.09.2024 RM'000 (audited)**
Level 1		
Other investments	109	97

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 December 2024.

A16. Capital Commitments

There were no capital commitments for the current financial quarter.

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 Current Period Quarter 31.12.2024 RM'000	Preceding Year Quarter 31.12.2023 RM'000	CUMULATIVE QUARTER Current Period Quarter 31.12.2024 RM'000	Preceding Year Quarter 31.12.2023 RM'000
Revenue	1,666	5,237	1,666	5,237
Gross profit	360	304	360	304
Loss before tax	(1,782)	(1,606)	(1,782)	(1,606)

The Group revenue for the current quarter under review was RM1.67 million. The revenue was generated mainly from:-

- mTouche (Thailand) Co. Ltd. in messaging content services and ThaiToon apps; and
- mTouche International Sdn. Bhd. in messaging content services.

The Group revenue recorded RM1.67 million for current quarter as compared to RM5.24 million for preceding year quarter, which decrease of 68.13%, mainly due to decrease of revenue in sales of IT products in bulk from its subsidiary company, mTouche International Sdn. Bhd..

The Group recorded loss before tax for the current quarter under review of RM1.78 million as compared to loss before tax RM1.61 million for preceeding year quarter which was mainly due to depreciation of property, plant and equipment of RM0.41 million, interest expense of RM0.21 million for the financial quarter.

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

	Current Period Quarter 31.12.2024 RM'000	Immediate Preceding Quarter 30.09.2024 RM'000
Revenue	1,666	7,222
Loss before tax	(1,782)	(9,265)

The Group recorded loss before tax of RM1.78 million during the financial quarter compared to loss before tax of RM9.27 million in the immediate preceding quarter, an increase of more than 100% which was due to depreciation of property, plant and equipment of RM0.41 million, interest expense of RM0.21 million for the financial quarter.

B3. Commentary on Prospects

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 has performed renovation works at the premises located at Troika KLCC, with the initial plan to introduce a healthcare and wellness center in Phase 1, followed by a recovery center in Phase 2. Given the current competitive dynamics within the recovery segment market, the Company has decided to delay the service offering of our wellness business. This will allow the Company to conduct a thorough evaluation and refinement of service offerings and strategies, ensuring they are optimally aligned with market needs and competitive pressures.

During this period, the Company will focus on enhancing our strategic approach and preparing for subsequent phases of development. The Company is committing to a meticulous review process to ensure that future plans are well-informed and strategically sound. The Company will provide updates on renovation progress accordingly.

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

On 3 January 2025, the Company received a notice dated 3 January 2025 issued by the Registrar of Companies confirming that all requirement with respect the Capital Reduction had been complied with. Accordingly, the Capital Reduction took effect on 3 January 2025.

Save for the above, there are no other corporate proposals announced but not completed as at the date of this report.

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	29,900	26,100	within 48 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	53,332	26,100				

B10. Borrowings and Debts Securities

	As at 31.12.2024 RM'000 (unaudited)	As at 30.09.2024 RM'000 (audited)
Current		
Secured:-		
- Term loans	219	208
Total current	219	208
Non-current		
Secured:-		
- Term loans	9,262	9,403
Total non-current	9,262	9,403
Total	**9,481**	**9,611**

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.

B13. Losses per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Period Quarter 31.12.2024	Preceding Year Quarter 31.12.2023	Current Period Period to Date 31.12.2024	Preceding Year Year to Date 31.12.2023
Losses attributable to ordinary shareholders of the Company (RM'000)	(1,782)	(1,583)	(1,782)	(1,583)
Weighted average number of ordinary shares in issue ('000)	926,719	926,719	926,719	926,719
Basic losses per share (sen)	(0.19)	(0.17)	(0.19)	(0.17)

The Company has no other potential dilutive 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 31.12.2024 RM'000	Preceding Year Quarter 31.12.2023 RM'000	Current Period to Date 31.12.2024 RM'000	Preceding Year to Date 31.12.2023 RM'000
Interest income	(169)	(303)	(169)	(303)
Depreciation and amortisation	413	429	413	429
Foreign exchange (gain)/loss	(150)	298	(150)	298
Interest expenses	206	165	206	165
Revaluation gain on other investment	(12)	(126)	(12)	(126)

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.

B16. Trade Receivables

	As at 31.12.2024 RM'000 (unaudited)	As at 30.09.2024 RM'000 (audited)
Current	7,472	1,872
Past due but not impaired:		
1-30 days	-	2,434
31-60 days	-	2,220
More than 60 days	24,143	9,240
Credit impaired		
Individual impaired	-	11,609
Past due and impaired	(24,148)	(17,877)
	7,467	9,498

By Order of the Board,

NG SALLY (MAICSA 7060343 & SSM PC No. 202008002702)
GOH XIN YEE (MAICSA 7077870 & SSM PC No. 202008000375)
Company Secretaries
28 February 2025