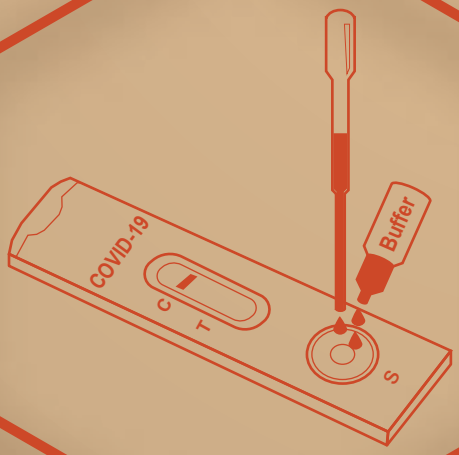
mTouche®

MTOUCHE TECHNOLOGY BERHAD

Registration No: 200401017892 (656395-X)



2020 / 2021
ANNUAL REPORT

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BOARD OF DIRECTORS

KHAIRUL AZWAN BIN HARUN
Independent Non-Executive Director/Chairman
(Appointed w.e.f. 13 January 2022)

TANG BOON KOON
Executive Director

CHEN HUEI PING
Executive Director

KUNAMONY A/P S.KANDIAH
Senior Independent Non-Executive Director

NG KOK HOK
Independent Non-Executive Director
(Appointed w.e.f. 4 June 2021)

AUDIT COMMITTEE

NG KOK HOK (Chairman)

KHAIRUL AZWAN BIN HARUN

KUNAMONY A/P S. KANDIAH

NOMINATION COMMITTEE

KUNAMONY A/P S. KANDIAH (Chairman)

KHAIRUL AZWAN BIN HARUN

NG KOK HOK

REMUNERATION COMMITTEE

KHAIRUL AZWAN BIN HARUN (Chairman)

KUNAMONY A/P S. KANDIAH

NG KOK HOK

REGISTERED OFFICE

10th Floor,
Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur
Tel: 03-2382 4288
Fax: 03-2382 4170/71/72

HEAD OFFICE

mTouche Technology Berhad
Lot 11.3, 11th Floor, Menara Lien Hoe,
No. 8, Persiaran Tropicana,
Tropicana Golf & Country Resort,
47410 Petaling Jaya,
Selangor Darul Ehsan
Tel: 03-7886 0100
Fax: 03-7866 0122

WEBSITE

www.mtouche.com

STOCK EXCHANGE

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: MTOUCHE
Stock Code: 0092
Warrant Code : 0092WD
Sector: Telecommunications & Media
Sub-sector: Telecommunications Service Providers

COMPANY SECRETARIES

Ng Sally
(MAICSA 7060343 & PC No. 202008002702)

Goh Xin Yee
(LS 0010359 & PC No. 202008000375)

PRINCIPAL BANKERS

Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
United Overseas Bank (Malaysia) Bhd

SHARE REGISTRAR

ShareWorks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Tel: 03-62011120
Fax: 03-62013121

AUDITORS

Afrizan Tarmili Khairul Azhar (AF 1300)
Chartered Accountants
Aftaas, 2, Jalan Rampai Niaga 2
Rampai Business Park
53300 Kuala Lumpur
Tel: 03-4143 9330
Fax: 03-4142 9330

Corporate Structure

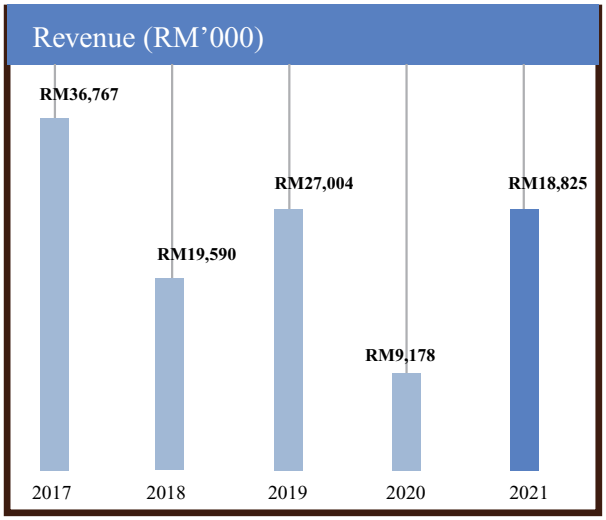
MTOUCHE
TECHNOLOGY BERHAD
(INCORPORATED IN MALAYSIA)

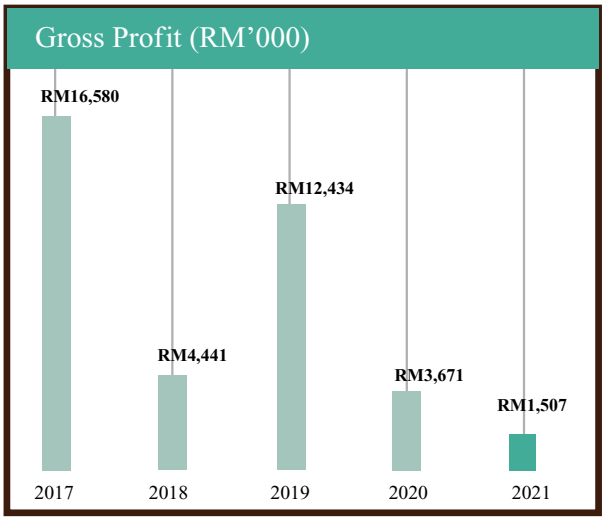
- **100%** — MTOUCHE INTERNATIONAL SDN. BHD. (INCORPORATED IN MALAYSIA)
- **99.94%** — MTOUCHE (THAILAND) CO. LTD. (INCORPORATED IN THAILAND)
- **49%** — PT MTOUCHE (INCORPORATED IN REPUBLIC OF INDONESIA)
- **100%** — MTOUCHE (CAMBODIA) CO. LTD. (INCORPORATED IN CAMBODIA)
- **100%** — MTOUCHE (VIETNAM) CO. LTD. (INCORPORATED IN VIETNAM)
  - **100%** — MOBILE ASIA VIETNAM CO., LTD. (INCORPORATED IN VIETNAM)
- **99.99%** — MTOUCHE TECHNOLOGY PHILIPPINES INC. (INCORPORATED IN PHILIPPINES)
- **100%** — MTOUCHE (HK) LTD. (INCORPORATED IN HONG KONG)
  - **100%** — MTOUCHE E WALLET (HK) LTD. (INCORPORATED IN HONG KONG)

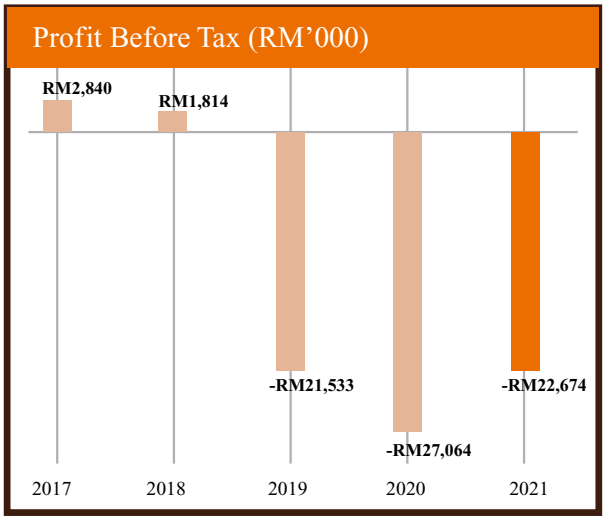
Financial Highlights

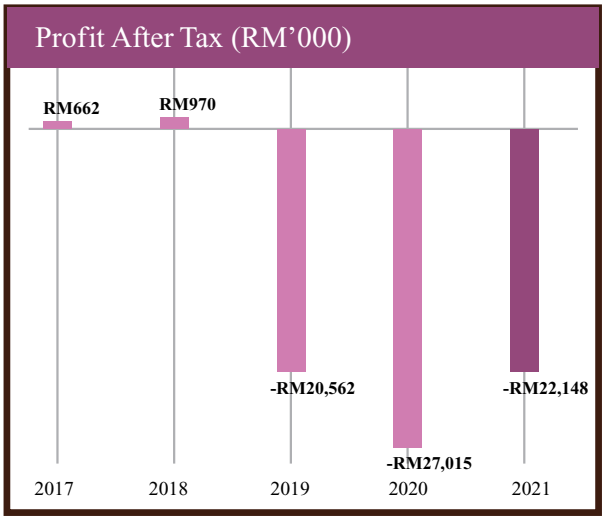
		Audited FPE2017*	Audited 2018	Audited 2019	Audited 2020	Audited FPE2021**
Revenue	RM'000	36,767	19,590	27,004	9,178	18,825
Gross profit	RM'000	16,580	4,441	12,434	3,671	1,507
Gross margin	%	45.1%	22.7%	46.0%	40.0%	8.0%
Profit/(Loss) before tax ("PBT")	RM'000	2,840	1,814	(21,533)	(27,064)	(22,674)
PBT margin	%	7.7%	9.3%	-79.7%	-294.9%	-120.4%
Profit/(Loss) after tax ("PAT")	RM'000	662	970	(20,562)	(27,015)	(22,148)
PAT margin	%	1.8%	5.0%	-76.1%	-294.3%	-117.7%
Basic earnings per share	sen	0.43	0.38	(4.05)	(5.16)	(6.37)

** constituted of 18 months result due to the change of financial year end from 31 December to 30 June*
***constituted of 15 months result due to the change of financial year end from 30 June to 30 September*









KHAIRUL AZWAN BIN HARUN
Independent Non-Executive Director/ Chairman

Age 45, Male, Malaysian

Encik Khairul Azwan bin Harun ("En Azwan") was appointed as the Independent and Non-Executive Chairman of the Company on 13 January 2022. Encik Azwan is currently the Chairman of our Remuneration Committee and also a member of our Audit Committee and Nomination Committee.

He was a Senator in the Upper House of Parliament of Malaysia and was previously with Ernst & Young Chartered Accountants, Kuala Lumpur as an auditor and corporate recovery consultant.

He holds the following qualifications:
a) Executive Certificate of Leaders in Development from Harvard Kennedy School of Government Massachusetts, United States of America;
b) Master of Management from Open University Malaysia, Kuala Lumpur; and
c) Bachelor of Science in Accounting from Cardiff University of Wales, United Kingdom.

Presently, he manages his own Kuala Lumpur based Strategy consulting outfit Progredior Consulting, serving his corporate clients in policy research, strategic communication, stakeholder advocacy and political risk assessment. He is also the Chairman of Malaysia Debt Ventures Berhad, a subsidiary of Ministry of Finance Inc. mandated to finance technology company and a member of the Board of Director of Universiti Utara Malaysia.

Save for his directorship of the Company, Vsolar Group Berhad and Malaysia Debt Ventures Berhad, En Azwan does not hold any other directorship in public companies and listed corporations.

As he was appointed as Director on 13 January 2022, he has not attended any Board meeting held during the financial period ended.

TANG BOON KOON
Executive Director

Age 51, Male, Malaysian

Mr. Tang Boon Koon ("Mr. Tang") was appointed as an Executive Director on 4 May 2016. Mr. Tang has more than 30 years of working experience in the Information, Communication & Technology industry, and was an all-rounder from technical, marketing, business development, operation to corporate management.

He has held a number of senior management positions in various public listed companies in Malaysia, Hong Kong and New Zealand.

Prior to joining the Group, Mr. Tang was the Chief Operating Officer of MyKris Limited, a company listed in New Zealand Alternative Exchange (NZAX).

Mr. Tang graduated from Wawasan Open University as Commonwealth Executive Master of Business Administration (CeMBA) degree and has obtained Diploma in Electronics and Electrical Engineering from Federal College of Technology.

Save for his directorship of the Company, Permaju Industries Berhad, Joe Holdings Berhad, Pasukhas Group Berhad and Meridian Berhad, Mr. Tang does not hold any other directorship in public companies and listed corporations.

Mr. Tang has attended all six (6) Board Meetings held during the financial period ended 30 September 2021.

CHEN HUEI PING
Executive Director

Age 29, Male, Malaysian

Mr. Chen Huei Ping ("Mr. Chen") was appointed as an Executive Director on 4 May 2016. Mr. Chen started his career as a Business Development Executive, and was promoted to head the Sales and Marketing department in a Public Listed Manufacturing Company. Subsequently, he joined a Multi-International Manufacturing Company as a Regional Business Development Manager for APAC market in a E&E industry.

Mr. Chen obtained his Degree in Economics and Finance from Singapore Institute of Management University - Royal Melbourne Institute of Technology, Singapore.

Save for his directorship of the Company, Mr. Chen does not hold any other directorship in public companies and listed corporations.

Mr. Chen has attended all six (6) Board Meetings held during the financial period ended 30 September 2021.

KUNAMONY A/P S.KANDIAH
Senior Independent Non-Executive Director

Age 70, Female, Malaysian

Ms. Kunamony A/P S.Kandiah ("Ms. Kunamony") was appointed as a Senior Independent Non-Executive Director on 6 May 2016. Ms. Kunamony is currently the Chairman of our Nomination Committee and also a member of our Audit Committee and Remuneration Committee.

Ms. Kunamony is an Advocate & Solicitor of the High Court of Malaya and now a senior partner of Messrs. Mohd Latip & Associates. She has more than 33 years of legal experience. Whilst in legal practice, she attended to various legal matters especially company / corporate, matters, probate, family law. She specialises in matters relating to restructuring of ailing, companies (Public Listed and Private limited companies). She is also Committee Member of the Selangor Bar for State of Selangor for a number of terms. She was appointed as a Panel Member of the Investigating Tribunal Boars and also Vice-President of the Arthritis Foundation, Malaysia.

Ms. Kunamony graduated with a law degree from Buckingham University and pursued professional practice course at the Council of Legal Education and was admitted as an utter Barrister at Law of Middle Temple, England.

Save for her directorship of the Company and Iqzan Holding Berhad, Ms. Kunamony does not hold any other directorship in public companies and listed corporations.

Ms. Kunamony has attended all six (6) Board Meetings held during the financial period ended 30 September 2021.

NG KOK HOK
Independent Non-Executive Director

Age 60, Male, Malaysian

Mr. Ng Kok Hok ("Mr. Ng") was appointed as the Independent Non-Executive Director on 4 Jun 2021. Mr. Ng is currently the Chairman of our Audit Committee and also a member of our Nomination Committee and Remuneration Committee.

Mr. Ng is a Chartered Accountant of Malaysian Institute of Accountants, Associate Member of the Chartered Institute of Management Accountants, Chartered Global Management Accountants and Financial Planning Association of Malaysia. He started as an Accountant in several private limited companies involved in telecommunications, manufacturing and trading businesses. He was later promoted to be a Financial Controller for Kuala Lumpur Mutual Fund Berhad (now known as Public Mutual Berhad). He then joined as General Manager of TA Unit Trust Management Berhad and progressed to the role as Chief Executive Officer. In November 2013, he joined Minetech Resources Berhad, a public listed company as a Chief Financial Officer ("CFO"). He then moved to VCPlus Limited (formerly known as Anchor Resources Limited), a Singaporean Company listed on Singapore Stock Exchange as a CFO and he resigned/ retired from the Company on 31 May 2021.

Save for his directorship of the Company and Meridian Berhad, Mr. Ng does not hold any other directorship in public companies and listed corporations.

As Mr Ng was appointed as Director on 4 June 2021, he has attended one (1) Board meeting held during the financial period ended 30 September 2021.

Notes to Profile of the Directors

1. ***Family Relationships***
   None of the Directors have any family relationship with any other Director and/or any major shareholder of the Company

2. ***Conflict of Interest***
   None of the Directors has any personal interest or conflict of interest in any business arrangement involving the Group.

3. ***Conviction of Offences***
   None of the Directors has been convicted of any offence within the past five (5) years, other than traffic offences (if any) and no public sanctions or penalties were imposed on them by the relevant regularity bodies during the financial period ended 30 September 2021.

KEY SENIOR MANAGEMENT

The Key Senior Management consists of our Executive Directors, Mr. Tang Boon Koon and Mr. Chen Huei Ping. The profiles of our Executive Directors are set out in the "Profile of the Directors and Key Senior Management" in this Annual Report.

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Established in 2002, mTouche Technology Berhad **("mTouche/Group")** is a telecommunication and media player based in Asia with operations in Malaysia, Indonesia, Thailand, Hong Kong, Vietnam and Cambodia. mTouche is now a public listed company on the ACE Market of Bursa Malaysia Securities Berhad.

mTouche is principally involved in the provision of mobile value-added services for smartphones, such as the development of mobile content, mobile messaging technologies, billing platforms and interactive media solutions **("Mobile Value-Added Services")**. Under this segment, the Group is also engaged in the research and development **("R&D")** of software and provision of software maintenance and support services, as well as managing computer data, data processing, data storage, systems design and analysis. mTouche is currently derives its revenue mainly from the Mobile Value-Added Services segment, which mainly comprises income receipts from its bulk messaging services, content services and mobile solutions, as well as fees chargeable through its mobile billing platform.

mTouche also hosts various contents via its mobile applications which include amongst others, iSports Liverpool (digital sports memorabilia application), iSports Arsenal (digital sports memorabilia application), Foxxy ABC (early childhood education application) and fcLinked (sports news and social networking application), in the form of Interactive Book Applications via iOS and Android subscription and Electronic Book for mobile and other devices for the market in Asia Pacific countries which comprises China, Hong Kong, Macau, Taiwan, Korea, Japan, Indonesia, Thailand, Philippines, Vietnam, India, Cambodia, Myanmar, Singapore and Malaysia.

mTouche is also involved in the OTT Media Platform, which is a system of software, including an end-user facing application, which delivers video contents such as documentaries, movies, television shows and music videos, from third-party video service providers to end-users over the internet. End-users will be able to access the OTT Media Platform via their smartphones, tablets, notebooks, computers and smart televisions. As such, the target market of the OTT Media Platform will be individuals with reliable access to the internet and who watch video content, including amongst others documentaries, movies, television shows and music videos.

In the calendar year of 2021, it has been a challenging period for the Group as with many uncertainty induced by the COVID-19 pandemic which brings forth disruption globally with the new variants such as Delta and Omicron. People have to adapt to a new normal in their daily life with the mandatory wearing of face mask in public, quarantine and COVID-19 testing. mTouche sees an opportunity behind what the Malaysia population is experiencing with the pandemic and has begun diversifying its business into distribution and selling of COVID-19 Test Kits after obtained Medical Device Authority ("MDA") license approval for registration.

We aim to enhance profitability and strengthen our market presence in order to support our long-term sustainability and growth. Thus, we will remain committed to providing quality solutions and services, as well as continuously improve our solution and services in order to expand our customer base and grow our business locally and regionally.

YEAR-ON-YEAR FINANCIAL REVIEW

	Audited FPE 2021 RM'000	Audited FYE 2020 RM'000
Our financial performance		
Revenue	18,825	9,178
Loss before tax ("LBT")	(22,674)	(27,064)
Loss after tax ("LAT")	(22,148)	(27,015)
LBT margin (%)	(120.4)	(294.9)
LAT margin (%)	(117.7)	(294.3)

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

The financial year end of the Group has changed from 30 June to 30 September.

Revenue

The Group recorded revenue of approximately RM18.8million for the financial period ended 30 September 2021 ("FPE2021") which represents an increase of approximately RM9.6 million or 105% as compared to FYE 2020 of RM9.2 million. The increase in revenue is mainly attributable to the sale of COVID-19 test kits.

Loss after tax

The Group recorded LBT of approximately RM22.6 million for FPE 2021 which represents a decrease of approximately RM4.4 million or 16.2% as compared to the LBT of RM27.0 million for FYE 2020. The decrease in LBT is primarily due to the lower impairment losses on financial assets for FPE2021, which represents a decrease of RM31.8 million as compared to the impairment losses on financial assets of RM31.8 million for FYE 2020.

	As at 30 September 2021 RM'000	As at 30 June 2020 RM'000
Our financial position		
Non-current assets	33,009	45,224
Current assets	133,817	25,750
Non-current liabilities	959	1,529
Current liabilities	7,505	8,426
Equity attributable to owners of the Company	160,049	62,754

Total assets

Non-current assets comprising property, plant and equipment, intangible assets and deferred tax assets which decrease from RM45.2 million as at 30 June 2020 to RM33.0 million as at 30 September 2021. This was largely due to the amortisation and impairment of intangible assets.

On the other hand, current assets has increased from RM25.8 million as at 30 June 2020 to RM133.8 million as at 30 September 2021, mainly due to the increase in cash and bank balances by 2013% to RM85.8 million from the proceeds raised from Rights Issue of Ordinary Shares which were completed in June 2021.

Total liabilities

Non-current liabilities as at 30 September 2021 recorded a decrease of 47% to RM959 million which was largely resulting from to the repayment in lease liabilities during the financial period.

Capital Resources

The Group has no borrowings as at 30 September 2021. Our business operations are financed by a combination of internal and external sources of funds. Internal sources of funds comprise mainly shareholders' equity and cash generated from our operations, while external source of funds comprises credit terms granted by our suppliers. Credit terms granted to us by our suppliers range from 30 to 120 days.

The management believes that after taking into account our cash and bank balances as well as the funds envisaged to be generated from our business operations, we will have adequate working capital to meet our present and foreseeable day-to-day business operation requirements.

REVIEW OF OPERATING ACTIVITIES

Supply Agreement with NGS

The data from World Health Organisation currently shows that the Covid-19 pandemic has hit more than 200 countries around the world and Malaysia is still fighting the Covid-19 virus spread from Movement Control Order ("MCO") since 18 March 2020 up to the latest National Recovery Plan ("NRP"') imposed by the Malaysian Government. As such, mTouche International Sdn. Bhd. **("MISB")** has on 14 April 2020 entered into a Supply Agreement with Network Global Solutions Pty Ltd **("NGS")** to collaborate with NGS in promoting, marketing and distributing Novel Coronavirus Detection and Diagnostic Kit and Novel Coronavirus Rapid Test Kit, and other medical supplies products to Malaysia and South East Asia market.

NGS will sell the Products as required by MISB and MISB agrees to purchase for the price subject to the terms and conditions of this Supply Agreement, for its day-to-day sales and distributing activities during the terms of this Supply Agreement. MISB estimates its requirement for the current year as follows:

Product Descriptions	**Estimate Quantity**
Novel Coronavirus Detection and Diagnostic Kit	250,000 Kits
Novel Coronavirus Rapid Test Kit	500,000 Kits

The parties understand that any company or establishment must be registered under Medical Device Authority **("MDA")**, Ministry of Health, Malaysia and licensed to operate under the Medical Device Act 2012 (Act 737).

In initiating the distribution and sale of test kit business, mTouche has secured a supply of COVID-19 test kits and other medical supplies products.

In addition to NGS, MISB was appointed by Shanghai Fosun Long March Medical Science Co., Ltd (China) and Wuhan EasyDiagnosis Biomedicine Co., Ltd. (China) as the Authorised Representative to promote, market and distribute Novel Coronavirus (SAR-CoV-2) RT-PCR Detection and Diagnostic Kit and Novel Coronavirus (SAR-CoV-2) IgM/IgG Rapid Test Kit in Malaysia as well.

MISB had on 3 July 2020 appointed Premier Diagnostics Sdn Bhd ("Premier Diagnostics"), a local company which possesses the Required Permits to amongst others, assist the Group to fast track the registration of the COVID-19 Test Kits with MDA vide special access application. Premier Diagnostic will also assist MISB to import the COVID-19 Test Kits from NGS, provide its warehousing facilities for storing the COVID-19 Test Kits as well as logistic services.

MISB had on 19 November 2020 entered into a digital distribution agreement with Mlabs Research Sdn Bhd, a wholly-owned subsidiary of MLABS Systems Berhad ("MLABS") to distribute the COVID-19 Test Kits and other equivalent products in Malaysia through MLABS' digital distribution channel.

Distribution and Sale of Test Kits Business represents an opportunity for the Group to capitalise on the surge in demand for COVID-19 Test Kits resulting from the COVID-19 pandemic. As the Group has already secured their own Required Permits and relevant approvals for the distribution of COVID-19 Test Kits, the Group has undertaken the importation and distribution and the COVID-19 test Kits independently while still maintaining the current business arrangement with existing parties. The Group expects to commence generating additional income stream from the Distribution and Sale of Test Kits Business within FYE 2022 after it has started successfully sell it in Quarter 5 of current financial period.

In order to carry out the Distribution and Sale of Test Kits Business without relying on MDA approved distributors, the Group has earmarked RM2.0 million to set up a clean room and cold storage facility, as well as to pay for expenses in relation to the Required Permits application, including application fees, regulatory fees, and advisory fees paid to the Group's appointed consultant. The Group obtained the said permits on 28 October 2021.

REVIEW OF OPERATING ACTIVITIES (CONT'D)

Corporate Exercises

As a recapitulation, the Company has on 5 December 2016 announced the proposal to undertake a par value reduction, a share consolidation and rights issue with free warrants exercise ("Rights Issue I") as well as the establishment of an employees' share option scheme (collectively the "Proposals"). The Proposals was approved by shareholders at our Extraordinary General Meeting on 23 January 2017. Pursuant to this, the Company had on 9 November 2017 issued 381,215,956 new ordinary shares at an issue price of RM0.20 per share, 190,607,977 Warrants C, 3,014,080 additional Warrants A and 2,173,723 additional Warrants B. The proceeds of RM 76.2 million from the Rights Issue I will be utilised in the following manner:-

(i) upgrading of our existing mobile value-added service platform;
(ii) development of a mobile digital ecosystem platform;
(iii) working capital;
(iv) acquisition of new office premises;
(v) regional business expansion;
(vi) acquisition and/or investment in other complementary businesses and/or assets; and
(vii) estimated expenses for the Rights Issue I.

The Company has fully utilised the proceeds raised for its intended purposes except for the balance proceeds of RM7.6 million that was allocated for the acquisition of new office premises which was expected to be fully utilised within 24 months from the completion of the Rights Issue I. Pursuant to this, the Company has obtained approval from the shareholders to grant the Company an additional timeframe to acquire of new office premises for further 36 months from the previous timeframe (i.e. by 9 November 2022) at our Extraordinary General Meeting on 2 April 2021.

On 18 December 2020, the Company announced a private placement of up to 10% of the total number of issued shares of mTouche (Private Placement III). A total of 116,498,000 mTouche shares were placed out at an issue price of RM0.0618 per mTouche share on 15 January 2021, which raised gross proceeds of approximately RM7.2 million to fund the purchase of COVID-19 Test Kits and related equipment, set up of clean room and cold storage facility and working capital for the distribution and sale of Test Kits Business. To further recap, the Company had completed Private Placement I and Private Placement II on 10 July 2020 and 23 September 2020 respectively.

The Company has on 5 February 2021 announced the proposal to diversify to include business relating to the healthcare industry, a share consolidation, rights issue with free warrants exercise ("Rights Issue II") and extension of timeframe for the utilisation of the remaining proceeds raised from the Rights Issue I (collectively the "Proposals"). The proposal was approved by shareholders at our Extraordinary General Meeting on 2 April 2021. Pursuant to this, the Company had on 10 June 2021 issued 794,323,417 new ordinary shares at an issue price of RM0.10 per share and 397,161,708 Warrants D. The proceeds of RM79.4 million from the Rights Issue II will be utilised in the following manner:-

(i) expansion of the distribution and sales of test kits business;
(ii) funding for the wellness business;
(iii) working capital; and
(iv) estimated expenses for the Rights Issue II.

The detailed disclosure on the utilisation of proceeds arising from the corporate exercises is set out in Additional Compliance Information on page 31 to 33 of this Annual Report.

The Board and Management are of the view that it is in the Company's best interest to allocate its resources towards strengthening its core business of other profit generating subsidiaries in the provision of the mobile content and other mobile value-added services as well as other new business opportunities such as wellness business.

RISK PROFILES

We highlight below the key anticipated or known risks that our Group is exposed to that may have a material effect on our operations, performance, financial condition and liquidity. Our plans and strategies to mitigate these risks have also been disclosed below:-

(i) Business risks

Our Group is principally involved in the provision of mobile Value-Added Services. It is subject to the risks inherent to the information technology and telecommunications industries. These include, amongst others, changes in telecommunication infrastructure, changes in laws and regulations applicable to the telecommunication business, availability of skilled personnel, introduction of new technological products and services as well as slowdown in growth in certain segments of the telecommunication industry in countries that we operate in. There can be no assurance that any material changes to these factors will not have a material adverse effect on the business operations of our Group.

Nevertheless, our Group has been taking effective measures to mitigate the aforementioned risks such as prudent financial management and efficient operating procedures. Further, we constantly keep abreast of economic and regulatory changes in relevant countries.

(ii) Foreign exchange risks

Our business operations are in Malaysia, Thailand, Indonesia, Vietnam, Hong Kong Philippines and Cambodia, this will expose us to foreign exchange risks in the event of repatriation of profits from other countries back to Malaysia. There is no assurance that any foreign exchange fluctuation will not have an adverse impact on our earnings.

Although we do not actively hedge our Group's foreign currency exposure, we will continue to assess the need to utilise financial instruments to hedge our currency exposure, taking into consideration factors such as foreign currency, exposure period and transaction costs.

(iii) Rapid technological changes / product changes

Our Group ventures in technological landscapes given the potential for rapid technological advancements, it should be noted that the development of technological products is a complex and uncertain process. As mobile data becomes cheaper, messaging applications are likely to be used more widely since it can support bigger content and more features as compared to conventional SMS. Our Group may experience design, marketing, operational difficulties that could delay or prevent the development of the product or may not be able to successfully commercialise the new products developed.

Our Group's performance is dependent on our ability to continuously innovate and upgrade its systems, software and infrastructure to ensure that our services remain relevant in the current technological landscape. Henceforth, this would allow our Group to compete effectively against other service providers moving forward.

Our Company seeks to limit these risks through our continuous investment in R&D activities in order to remain technologically relevant and meet market's expectations.

(iv) Business diversification risks

The diversification may expose our Group to risks inherent to the healthcare industry, in which our Group has not been participating in the past, such as in marketing and distribution of COVID-19 Test Kits and also in operating in Wellness Studio. These may include, amongst others, general economic downturn in the global and regional economies, competition from existing players, socio-political instability, changes in the legal and environmental framework within which the healthcare industry operates and changes in demand of healthcare products/services.

Our Group will seek to limit these risks through, inter alia, leveraging on the leadership and business development experiences of Mr Tang Boon Koon who will lead the Healthcare Business as well as to hire and set up the marketing and operations team with relevant skillset to our Group in the new business.

RISK PROFILES (CONT'D)

(v) No prior experience in the Healthcare Business

Our Group is principally involved in the provision of Mobile Value-Added Services. Our Group does not have any prior experience in the Healthcare Business. In particular, the regulatory requirements, distribution processes and marketing strategies that may be required for the success of the Healthcare Business is relatively unique and distinct from our Group's existing business.

Our Group will face competition from both new entrants and established players in the healthcare industry.

Our Group is of the view that there is a sufficient pool of talent with suitable technical expertise in Malaysia. Our Group is confident that it will be able to recruit and assemble a team with the relevant expertise who will be able to learn quickly and ensure the smooth running of the business.

(vi) Competition risks

We continue to face competition from existing and new competitors who may be capable of offering similar solutions. Whilst we strive to remain competitive, there can be no assurance that any changes in the competitive environment would not have any material and adverse impact on our business and financial performance.

Nevertheless, our Group strives to maintain our competitive edge by ensuring the quality of our solutions and services through stringent quality assurance procedures. We also continuously place importance on improving our solutions and services by investing in R&D activities.

Our Group's competitiveness will depend on its ability to continuously develop its technical expertise and industry know-how, marketing strategy and ability to provide the suitable products and solutions/services to meet the needs of the target markets. Our Group will also emphasise on marketing and planning, constantly review its development and marketing strategy to respond to the changes of economic conditions and market demands in the healthcare industry.

FORWARD-LOOKING STATEMENT

The Malaysian economy recorded a negative growth of 3.4% in the fourth quarter (Third quarter ("3Q") 2020: -2.6%), largely attributable to the imposition of the conditional MCO on a number of states since mid-October. The restrictions on mobility, especially on inter-district and inter-state travel, weighed on economic activity. Nevertheless, the continued improvement in external demand provided support to growth. Consequently, except for manufacturing, all economic sectors continued to record negative growth. On the expenditure side, moderating private consumption and public investment activities weighed on domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy registered a decline of 0.3% (3Q 2020: +18.2%).

(Source: Economic and Financial Developments in the Malaysia in the Fourth Quarter of 2020, Bank Negara Malaysia)

Reinforced by the reopening of the economy in phases, growth is expected to improve gradually during the second half of the year, cushioning the significant contraction in the first half. Thus, Malaysia's gross domestic product is expected to contract by 4.5% in 2020, before rebounding between 6.5% and 7.5% in 2021. After a dismal economic performance in 2020 due to the COVID-19 pandemic, the Malaysian economy is expected to rebound firmly, in 2021, in line with the expectation of a more synchronised global recovery. At the same time, domestic demand is projected to record a steady growth, supported by improvements in labour market conditions, low inflation and favourable financing conditions as well as the revival of major infrastructure projects. All sectors in the economy are expected to turnaround, with services and manufacturing sectors continuing to spearhead growth.

Nevertheless, downside risks to the growth outlook remain, arising from the resurgence of COVID-19 cases and the duration of containment measures domestically and globally. Geopolitical tensions, volatility in financial and commodity markets as well as prolonged trade and tech war may dampen the recovery pace. Against this background, the Government will continue to promote resilient and sustainable economic growth, while safeguarding the welfare of the people. Efforts will be enhanced to accelerate the shift to digitalisation, skilled workforce, quality foreign direct investments and strengthening environmental, social and governance principles to ensure sustainable and inclusive growth.

(Source: Economic Outlook 2021, Ministry of Finance Malaysia)

FORWARD-LOOKING STATEMENT(CONT'D)

The Group is principally involved in the Mobile Value-Added Services industry. Over the past few years, the Group has been facing challenges in its Mobile Value-Added Services business, mainly due to increasing competition within the industry arising from new development in mobile technologies and recently, the weakened demand pursuant to the impact of the COVID-19 pandemic.

Nevertheless, the Group believes that the industry outlook for Mobile Value-Added Services continues to be favourable in view of the on-going developments in smart devices and high-speed internet, including but not limited to the anticipated introduction of 5G networks in Malaysia. Furthermore, with the outbreak of COVID-19, consumers are expected to consume more digital products, which will benefit the Mobile Value-Added Services industry. As such, the Group will continue to allocate resources to enhance and expand its Mobile Value-Added Services which in turn may drive revenue growth for the Group.

The Company currently plans to diversify its revenue sources to include the wellness business that includes an establishment and operation of a one-stop health and wellness studio which comprises a wellness studio, a recovery studio and a fitness studio ("Health Studio") which is supported by the usage of a digital healthcare platform to be developed by the Group ("Wellness Business").

The healthcare industry in Malaysia, represented by the total expenditure on health which comprises public health expenditure and private health expenditure, grew from RM56.68 billion in 2017 to RM64.31 billion in 2019 at a compound annual growth rate of 6.52%. Smith Zander estimates the healthcare industry in Malaysia to increase to RM66.76 billion in 2020 at a 3.81% growth from 2019. Due to additional government spending on health for treatment and prevention of the COVID-19, public health expenditure in 2020 is expected to increase by 10.47% from 2019, which drives the growth of the healthcare industry.

The Group is observing an emerging trend whereby consumers are increasingly looking beyond physical fitness in striving for optimal health, taking a more holistic approach to include wellness and lifestyle such as sleep quality, mental health and emotional wellbeing all under the same roof, i.e. the Health Studio.

The Group also recognised that over the past few years, consumers are becoming increasingly dependent on mobile applications to organise their life, in particular, the proliferation of wearable health sensor monitors with Internet of Things ("IOT") capabilities, combined with the power of health applications has transformed the way consumers observe and monitor their health statistics to maintain a healthy lifestyle.

As such, the Group intends to develop a digital healthcare platform that is IOT enabled, allowing its customers to continuously monitor and record their health statistics and share them with their healthcare provider, an application platform that will complement the usage of the Health Studio ("Digital Healthcare Ecosystem"). Using the Digital Healthcare Ecosystem, consumers can monitor and record their health statistics while utilising the recovery, wellness or fitness services at the Health Studio, either through their personal IOT devices or the Health Studio's proprietary IOT devices. Furthermore, the Digital Healthcare Ecosystem will provide customers with unparalleled features and convenience, allowing them to pay for subscription as well as schedule for classes/sessions at the Health Studio.

The Board of Directors ("the Board") of mTouche Technology Berhad ("mTouche" or "the Company") recognise that good corporate governance ("CG") is essential in directing and managing the business and affairs of the Company to deliver its strategy and maximise shareholder value while taking into consideration the stakeholders' interest. The Board is committed to upholding high standards of integrity and transparency in its governance and ensuring CG practices are implemented and maintained throughout the Company and its subsidiaries ("the Group").

The Board is pleased to present an overview of the application of the principles and recommended CG practices as set out in the Malaysian Code on Corporate Governance 2017 ("MCCG") during the financial period ended 30 September 2021 ("FPE2021") to shareholders and investors.

This Statement is prepared in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and this is to be read together with the Corporate Governance Report ("CG Report") of the Company which is available on the Company's website at www.mtouche.com. The CG Report provides the explanations on how the Group applied each Practice set out in the MCCG during FPE2021.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Part 1 - Board Responsibilities

1. Board's leadership and effectiveness

1.1 Roles and responsibilities of the Board

The Board is responsible for the stewardship of the Company's business and affairs with a view to enhance long term shareholders value as well as investor interest while taking into account the interests of other stakeholders and maintaining high standards of transparency, accountability and integrity. The Board is also responsible for ensuring that the Management maintains an effective system of governance and internal controls, which should provide assurance of effective and efficient operations, internal controls and compliance with the relevant laws and regulations.

The Board determines the Group's strategic objectives and ensures that required resources are in place for the Group to meet its objectives and to guide the Group on its short and long-term goals, providing advice, stewardship and directions on the management and business development of the Group. The Board is guided by its Board Charter and its responsibilities are included in the Board Charter which is available on the Company's website at https://www.mtouche.com. The Board also sets the Group's values and standards and ensures that its obligations to the shareholders and other stakeholders are understood and fulfilled.

To enhance accountability, the Board has established clear functions reserved for the Board and those delegated to Management. There is a formal schedule of matters reserved to the Board for its deliberation and decision to ensure the direction and control of the Company are in its hands. The role of Management is to support the Executive Directors and implement the running of the general operations and business of the Company, in accordance with the delegated authority of the Board.

The Independent Non-Executive Directors ("INEDs") are persons of calibre and credibility with the ability to exercise independent judgment in the Board without fear or favour. Their roles are to constructively challenge Management and monitor the success of Management in delivering the approved targets and business plans within the risk appetite set by the Board. They have free and open contact with Management at all levels, and they engage with the external and internal auditors to address matters concerning Management and oversight of the Company's business and operations.

Key matters reserved for the Board's approval include the annual business plan and budget, capital management and investment policies, authority limits/levels, risk management policies, declaration of dividends, business continuity plan, issuance of new securities, business restructuring, expenditure above a certain limit, material acquisitions and disposals of assets.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.1 Roles and responsibilities of the Board (cont'd)

In furtherance of the above and to ensure orderly and effective discharge of its functions and responsibilities, the Board delegates and confers some of the Board's authorities and discretion on the Executive Directors ("EDs") as well as on properly constituted Board Committees comprising exclusively of Non-Executive Directors ("NEDs") which operate within defined terms and reference. The Board Committees consist of Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC").

These Board Committees are oversighted by the Board and the power delegated to the respective Board Committees are clearly set out in the Terms of Reference of each of the committees which are available on the Company's website.

These Board Committees assist the Board in making informed decisions through focused and in-depth deliberations on issues within their respective purview. The Chairman of the relevant Board Committees report to the Board on key issues deliberated, matters considered and their recommendation thereon. The final decision on all matters, however, lies with the Board after considering recommendations by the Board Committees except to the extent that certain matters are delegated by the Board to the said Board Committees.

During FPE2021, the Board, has leveraged on technology to broaden its channel of dissemination of information and to enhance the quality of engagement with the shareholders as part of its continuous efforts in enhancing corporate governance.

1.2 Chairman

The Chairman of the Company leads and manages the Board with a keen focus on strategy, governance and compliance and act as facilitator at Board meetings to ensure the effective contributions by NEDs are forthcoming on matters being deliberated and that the Board constructively challenges and contributes to the development of strategy.

The Chairman is responsible to ensure the Board's decisions are taken are in the Company's best interests and fairly reflect the Board's consensus. He chairs the meetings of the Board and the shareholders, and thus ensuring effective communication with the shareholders and relevant stakeholders.

1.3 Separation of roles between the chairman and the executive directors

The Chairman of the Company is an INED. There is a distinct division of roles and responsibilities of the Chairman and the EDs to ensure that there is a continuance balance of power and authority and to maintain effective supervision and accountability of the Board and the Management.

Encik Khairul Azwan bin Harun was appointed as the Independent Non-Executive Chairman of the Company on 13 January 2022 in place of the late Y.M. Raja Hizad Bin Raja Kamarulzaman. Whilst the EDs are Mr Tang Boon Koon and Mr Chen Huei Ping, who have the overall responsibilities over the Group's operating units, organisational effectiveness and implementation of Board policies and decisions.

The Chairman is primarily responsible for matters pertaining to the Board and the overall conduct of the Group and is committed to monitor good CG practices in the Company.

The EDs take on the primary responsibility of managing the Group's businesses and resources as well as overseeing and managing the day-to-day operations of the Group which include providing the vision and strategic direction of the Group, formulating and implementing appropriate corporate strategies, and assessing potential business opportunities.

All decisions of the Board are made unanimously or to be consensus. To ensure balance of power and authority on the Board, half of the Board members are Independent Directors. The Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.4 Support of company secretaries

The Company Secretaries of the Company are a member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and a Licensed Secretary in accordance with the Companies Commission of Malaysia (Amendment) Act 2015 respectively and are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016 ("Act"). The Company Secretaries acts as a CG counsel and facilitate overall compliance with the relevant requirements, codes or guidance and legislations within the Board, Board Committees and Management.

The Board has direct access to the professional advices and services of the Company Secretaries when performing their duties and discharging their responsibilities. The Company Secretary attends all meetings of the Board and Board Committees whenever necessary and guides the Directors on the requirements encapsulated in the Company's Constitution and legislative promulgations such as the Act, Listing Requirements, MCCG and ensure the deliberations at the meetings are recorded and the minutes circulated in a timely manner.

1.5 Supply of information

The Board meets at least four (4) times a year, with additional meetings convened on ad-hoc basis as and when decisions on urgent matters are required between scheduled meetings. The meetings of the Board and Board Committees are scheduled in advance and is circulated to allow Directors to plan ahead. To ensure the Board receives information on a timely manner, the Board papers for meetings will be circulated to the Board at least five (5) business days prior to the meeting. This provides the Directors with sufficient time to evaluate reports and proposals if necessary, request additional information to enable the Board to make informed and effective decisions.

NEDs are kept updated on the Group's activities and operations by the ED on a regular basis and all Directors have unrestricted access to Senior Management on issues under their respective purview and the right of access to all reports on the Group's activities, both financial and operational, and interact directly with Management or request further explanation, information or updates on any aspect of the Company's operations or business concern from them and the service and advice of suitable qualified Company Secretaries in order to enhance their knowledge in respect of the Group's businesses as well as better awareness of the risks associated with the Group's operations.

There are no restrictions for Directors, individually or collectively, to obtain independent professional advice if necessary, at the Group's expense to enable them to discharge their duties and responsibilities in relation to the matters being deliberated, where necessary.

The Company Secretary is entrusted to record the Board's deliberations, in terms of issues discussed, ensures that the deliberations at Board and Board Committee meetings are well documented, and subsequently communicated to Management for appropriate actions. The minutes of the previous Board and Board Committee meetings are distributed to the Directors/ Committee prior to the meeting for their perusal before confirmation of the minutes at the commencement of the following Board/Committees' meeting. The Directors may comment or request clarification before the minutes are tabled for confirmation as a correct record of the proceedings of the meeting. Management provides Directors with complete and timely information prior to meetings and on-going basis to enable them to make informed decisions.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2. Demarcation of responsibilities

2.1 Board Charter

The Board has formally adopted a Board Charter which sets out the Board's strategic intent and outlines a clear roles and responsibilities of the Board for the discharge of the Board's fiduciary and leadership functions. The Board Charter provides guidance for Directors and Management regarding the responsibilities of the Board, Board Chairman, Board Committees, Individual Directors, including NED, Independent Directors, Senior INED as well as the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities.

The Board Charter would be periodically reviewed and updated in order to be aligned with current circumstances, the Company's policies and applicable rules and regulations and the Board Charter was last reviewed and adopted on 22 October 2018. More information on the Board Charter can be found on the Company's website.

3. Promoting good business conduct and corporate structure

3.1 Code of Ethics and Conduct

The Board has formalised the Code of Ethics for Directors and Code of Conduct for Officers and Employees ("Code of Ethics and Conduct") which reflects the Group's vision and core values of integrity, respect and trust. The core areas concerned include the following:

- Compliance with Circulars, Guidelines and Policies
- Ensuring Information Confidentiality
- Ensuring Fair and Equitable Treatment
- Commitment to the Group, Quality and Competence
- Reporting Internal Fraud, Theft or Illegal Activities
- Conflict of Interest
- Misuse of Position and Information
- Fraudulent Records and transactions
- Unethical and Negligent Conduct

The Board adhered strictly to the Code of Ethics and Conduct for Company Directors in discharging its oversight role effectively. The Code of Ethics and Conduct requires all Directors to observe high ethical business standards, and to apply these values to all aspects of the Group's business and professional practice and to act in good faith in the best interests of the Group and its shareholders. The Code of Ethics and Conduct for the Company Directors, Officers and Employees are incorporated in the Board Charter, which is available on the Company's website at https://www.mtouche.com

In addition, all employees are encouraged to report genuine concerns about unethical behaviour or malpractices to Department Head/ED, and all violations will be investigated by the Board or by persons designated by the Board, and appropriate action will be taken by the Company in the event of the said violations. If for any reason, it is believed that this is not possible or appropriate, then the concern should be reported to the AC Chairman of the Company. The Code of Ethics and Conduct is reviewed and updated from time to time by the Board to ensure that it continues to remain relevant and appropriate.

3.2 Whistleblowing Policy

The Board recognises the importance of whistleblowing and is committed to maintaining the highest standards of ethical conduct within the Group. In line with this commitment, the Board has formalised a Whistleblowing Policy for the Group.

As prescribed in the said policy, the Whistleblowing Policy outlines the avenues for all employees or any external party to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, or disclose in good faith any improper conduct within the Group and to enable prompt corrective actions and measures to resolve them effectively.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

3.2 Whistleblowing Policy (cont'd)

Any employee who has reasonable belief and in good faith that there is serious malpractice relating to the matter disclosed exists in the workplace, may direct such complaint and report to the line manager or the Chairman of the AC, either through formal or informal channels, in a safe and confidential manner. The Board will assure that employees' and third parties' identities will be kept confidential and that the whistle-blowers will not be at risk to any form of victimisation or retaliation from their superiors or any member of Management provided that their reporting is in good faith.

The Whistleblowing Policy formed part of the Board Charter and can be viewed on the Company's website at https://www.mtouche.com

3.3 Anti-Bribery and Anti-Corruption Policies ("ABAC Policies")

The Board had on 29 May 2020 adopted the ABAC Policies to incorporate the policies and procedures on anti-corruption as guided by the "Guidelines on Adequate Procedures" issued by the Prime Minister's Department to promote better governance culture and ethical behavior within the Group and to prevent the occurrence of corrupt practices in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on corporate liability for corruption which came into force on 1 June 2020 and to include the corruption risks in the annual risk assessment of the Group. A copy of the ABAC Policies is made available on the Company's website at https://www.mtouche.com

Part II - Board Composition

4. Strengthen board's objectivity

4.1 Board composition and size

The Board comprises one (1) Independent Non-Executive Chairman, two (2) INEDs and two (2) EDs. The present composition of the Board is in compliance with Rule 15.02 of the Listing Requirements and MCCG as more than half of its members are Independent Directors, which can provide a check and balance in the functioning of the Board and enhance its effectiveness.

The Board composition and size are periodically assessed by the Board through the NC for appropriateness to meet the current and future needs of the Company. The Independent Directors who constitute more than one-third of the composition of the Board, provide a check and balance in the functioning of the Board and enhance its effectiveness.

The Group is led by an experienced and diversified Board, which comprises professionals from various fields to bring together a balance of skills, mix of experience and expertise in areas relevant to enhance the growth of Group's business. The Board collectively bring with their wide and varied technical, legal, financial, and corporate experience to enable the Board to lead and control the Group effectively.

4.2 Tenure of independent director

No independent Directors have exceeded a cumulative term of nine (9) years.

4.3 Policy of independent director's tenure

The Board via the NC assessed the independence of the Independent Directors annually and an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. Otherwise, the Board must justify and seek shareholders' approval at the Annual General Meeting ("AGM") in the event it retains the director as an Independent Director. If the Board continues to retain the Independent Director after twelve (12) years, the Board would seek shareholders' approval through a two-tier voting process.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

4.4 Diverse board and senior management team

The Board acknowledges the importance of diverse Board and Senior Management. In fostering diversity, the Board has established Board Diversity Policy ("the Policy") as set out in the Board Charter of the Company and is of the view that, while it is important to promote boardroom diversity in terms of gender, age and ethnicity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority.

The Policy articulates the diversity attributes and needs of the Board and the approach it would take to address such needs and in the process strengthen its composition. The Policy plays an integral role in the selection of candidates for Board membership. Whilst the Board recognises and embraces the benefits of diversity, the Board believes in providing equal opportunities to all based on merit as well as complementing and expanding the skills, knowledge and experience of the Board as a whole.

As for the Senior Management, the Board is committed to provide fair and equal opportunities and nurturing diversity at all levels within the Group. In this respect, all persons, regardless of age, gender, ethnicity, cultural background or other personal factors, with the appropriate experience and qualifications will be considered equally during recruitment and promotion, remuneration and training. The Board is also committed to workplace diversity ensuring that we value and respect our differences and that our workplace is fair, accessible, flexible and inclusive and free from discrimination.

Diversity of the Board's composition is important to facilitate optimal decision-making by harnessing different insights and perspectives.

4.5 Gender diversity

The Board acknowledges the importance of boardroom diversity and takes cognisance of the recommendation of the MCCG to have female directors.

The Board currently has one (1) female director among its five (5) members, namely Ms Kunamony A/P S.Kandiah. The Board opined that gender should not be the basis of evaluation and given the current state of the Group's business and lifecycle, it is more important to have the right mix of skills, knowledge, experience and expertise on the Board rather than to attaining the threshold as stipulated in MCCG.

The NC evaluates and matches the criteria of the candidate, and will consider diversity, including gender, where appropriate, and recommends to the Board for appointment. In its effort to promote boardroom diversity, the NC has taken various steps to ensure that women candidates are sought from various sources as part of its recruitment exercise.

Nevertheless, the Board supports the initiative to include woman representation on the Board to achieve a more gender diversified Board, henceforth, the Board is on the look for potential women Directors and shall appoint additional women Directors as and when suitable candidates are identified. No timeframe has been set for the search concerned.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

The current diversity of the Board is as follows:

Gender	No. of directors
Male	4
Female	1

Age	No. of directors
20 - 39 years	1
40 - 59 years	2
60 years and above	2

Ethnicity	No. of directors
Bumiputera	1
Chinese	3
Others	1

4.6 Identification of new candidates for appointment of directors

The Board has entrusted the NC with the responsibility to identify and recommend suitable candidates for Board membership and assessing the performance of the Directors and Senior Management staff on an on-going basis.

The Board sets out expectations on the character, knowledge, experience, integrity, competence and time commitment for its members and protocols based on the 'Fit and Proper' Standards/Criteria for Directors and Senior Management staff when assessing new appointments and the Board will have the ultimate responsibility and final decision on any new appointment. This process shall ensure that the Board membership accurately reflects the long-term strategic direction and needs of the Company while it determines the skills matrix needed to support strategic direction and needs of the Company.

Where necessary, the NC may engage external independent advisors at the Group's expense on the recruitment of suitable candidates as board member to enable them to discharge their duties proficiently.

4.7 NC

The NC was established by the Board on 14 February 2007 and the current NC comprises wholly INEDs and led by Ms. Kunamony A/P S.Kandiah, a Senior INED.

The NC is primarily empowered by its terms of reference in carrying out the following functions amongst others, is to:

- Reviewing, recommending and considering candidates to the Board and committees of the Board;
- Assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Directors on an on-going basis; and
- Assessing the balance of the Board membership and determining the core competencies and skills required for the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

4.7 NC (cont'd)

The NC met once during the year under review with full attendance of its members. Summary of the key activities undertaken by the NC in discharging its duties during FPE2021 are set out below:

- Reviewed the size, structure and composition of the Board and the Board Committees;
- Assessed and reviewed the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each Individual directors;
- Assessed and reviewed the Independence of INEDs;
- Assessed and reviewed the performance of the EDs;
- Assessed and reviewed the performance of AC and members of the AC;
- Assessed the financial literacy of the AC and each of its members;
- Recommended the re-election of he Directors who are due for retirement by rotation at the 16th AGM;
- Recommended suitable educational and training programmes for continuous development of the directors; and
- Reviewed the Terms of Reference of NC.

The NC had undertaken a review and assessment of the level of independence of the Independent Directors during the FPE2021 based on the independence criteria as defined in the Listing Requirements and is satisfied that they are able to discharge their responsibilities in an independent manner. The Independent Directors have also declared their independence to the Board and Management of the Group at a Board Meeting during the year.

The NC was satisfied that the Board has the right size and the Board composition is well balanced having considered the appropriate mix of skills, experience, strength and independence and the diversity required to meet the current and future needs of the Company.

The Group recognises that effective succession planning is integral to the delivery of its strategic plans. It is essential to ensure a continuous level of quality in key management, in avoiding instability by helping mitigate the risks which may be associated with any unforeseen events, such as the departure of a key individual, and in promoting diversity.

4.8 Re-election of Retiring Directors

In accordance with the Company's Constitution, one third (1/3) of the Directors (with the exception of the Alternate Director) are subject to retirement by rotation annually and all Directors shall retire from office once at least every three (3) years.

The Directors to retire each year are the Directors who have been longest in office since their last appointment on re-election. The Directors appointed during the financial year are subject to retirement at the next AGM held following their appointments in accordance with the Company's Constitution. All retiring Directors are eligible for re-election.

Pursuant to Regulation 97 of the Constitution of the Company, Ms Kunamony A/P S.Kandiah is subject to retirement by rotation at the forthcoming 17th AGM and she has expressed her willingness to seek for re-election at the 17th AGM.

Regulation 104 of the Constitution of the Company provides that any Director appointed to fill casual vacancy or as an addition to existing directors shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. This re-election shall not take into consideration the Director who will be retiring pursuant to Regulation 97 of the Company's constitution.

Encik Khairul Azwan bin Harun and Mr Ng Kok Hok who were appointed during the year are to retire at the forthcoming 17th AGM in accordance to Regulation 104 of the Company's Constitution and have expressed their willingness to seek for re-election at the 17th AGM.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

5. Board effectiveness

5.1 Board assessment

The Board (via the NC) undertakes annual evaluation to determine the effectiveness of the Board. The Board evaluation comprises a Board Assessment, Board Committees' Assessment, an Individual Assessment and an Assessment of Independence of Independent Directors and the financial literacy test of the AC Members.

The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committee and the Chairman's role and responsibilities. Criteria used in these assessments are guided by the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad ("Bursa Securities"). This assessment which is done annually is facilitated by the Company Secretaries and conducted on a peer and self-evaluation basis through questionnaires circulated to the Directors.

All Board members completed the assessment questionnaires on a confidential basis and the results of the evaluations are collated and a summary of the findings is submitted to the NC for deliberations and subsequently escalated to the Board for consideration on the key issues arising thereon, if any.

Based on the evaluation carried out for the FPE2021, the NC was satisfied with the existing Board composition and concluded that each Directors has the requisite competence to serve on the Board and has sufficiently demonstrated their commitment to the Company in terms of time and participation during the year under review, and recommended to the Board the re-election of retiring Directors at the Company's forthcoming AGM. All assessments and evaluations carried by the NC in discharge of its functions were properly documented.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at Board of Directors and Board Committee meetings during the financial period under review, as set out in the table below:

Composition and meeting attendance held in the FPE2021

Directors	**Designation**	**No. of meetings attended**				
		Board	**AC**	**NC**	**RC**	**AGM**
Khairul Azwan bin Harun *(Appointed on 13 January 2022)*	Independent Non-Executive Director/ Chairman	-	-	-	-	-
Kunamony A/P S.Kandiah	Senior Independent Non-Executive Director	6/6	6/6	1/1	1/1	1/1
Ng Kok Hok *(Appointed on 4 June 2021)*	Independent Non-Executive Director	1/1	1/1	-	-	-
Tang Boon Koon	Executive Director	6/6	-	-	-	1/1
Chen Huei Ping	Executive Director	6/6	-	-	-	1/1
The Late Y.M. Raja Hizad Bin Raja Kamarulzaman *(Demised on 22 November 2021)*	Independent Non-Executive Director/ Chairman	6/6	6/6	1/1	1/1	1/1
Yong Ket Inn *(Resigned on 5 March 2021)*	Independent Non-Executive Director	4/4	4/4	1/1	1/1	1/1

Each of the present members of the Board have complied with the Listing Requirements of not holding more than five (5) directorships in public listed companies and the Board is satisfied that the current number of other directorships held by the Directors does not impair their ability in discharging their responsibilities to the Company.

The Board is aware that continuous training for the Directors is vital for them in discharging their duties effectively. All Directors are encouraged to attend appropriate external training programmes to supplement their knowledge in the latest developments and issues relevant to the Group, especially in the areas of CG and regulatory requirements.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

5.1 Board assessment (cont'd)

There were also briefings by the External Auditors, Internal Auditors and the Company Secretary on the relevant updates on statutory and regulatory requirements from time to time during the Board meetings. All Directors have attended and completed the Mandatory Accreditation Programme as prescribed by Bursa Securities, training and seminar programme covering the topics on finance, governance, corporate and global business and industry developments, which they have individually or collectively considered vital in keeping abreast with changes in laws and regulation, business environment, and CG development.

Details of the internal or external training programmes, seminars and/or conferences attended by the Directors at the end of FPE2021 were as follows:

Directors	Training Programmes/Seminars/Conferences
Khairul Azwan bin Harun *(Appointed on 13 January 2022)*	• SST & Financial Management • Digital Marketing-Let the World Know Your Business
Kunamony A/P S.Kandiah	• Be a Future Ready Organization (e-Learning) • Advocacy Sessions for Directors and Senior Management of Ace Market Listed Corporation
Ng Kok Hok *(Appointed on 4 June 2021)*	• Advocacy Sessions for Directors and Senior Management of Ace Market Listed Corporation. • Corporate Governance Revisited : The co-existence of Ethics and Law sets you F.R.E.E.
Tang Boon Koon	• Corporate Tax Planning (e-Learning) • Advocacy Sessions for Directors and Senior Management of Ace Market Listed Corporation
Chen Huei Ping	• Be a Future Ready Organization (e-Learning) • Advocacy Sessions for Directors and Senior Management of Ace Market Listed Corporation

The Board (via the NC and with assistance of the Company Secretaries) shall continue to evaluate and determine the training needs of the Directors to build their knowledge so that they can be up-to-date with the development of the Group's business and industry that may affect their roles and responsibilities.

Part III – Remuneration

6. Level and composition of remuneration

6.1 Remuneration policy

The Board has adopted a Remuneration Policy to support the Directors and key senior management in carrying out their responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board's objective in this respect is to offer a competitive remuneration package in order to attract, motivate and retain persons of high calibre who will manage and drive the Company's success. The details of the Group's remuneration policies are included in the Board Charter available on the Group's website.

6.2 RC

The Board (via the RC) will ensure that the Group's levels of remuneration commensurate with the skills and responsibilities expected of Senior Management as well as the Directors and that it must be sufficient to attract and retain talent needed to run the Group successfully. The RC comprises wholly INEDs and they met once during the year under review with full attendance of its members.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

6.2 RC (cont'd)

The determination of the remuneration of the Directors is a matter of the Board as a whole. The remuneration payable to NEDs is proposed by the Board and is subject to shareholders' approval at the AGM. Each individual Director does not participate in decisions regarding their remuneration package and shall abstain from voting at general meetings to approve their fees. EDs are remunerated based on the Group's performance, market conditions and their responsibilities whilst the remuneration of the NEDs is determined in accordance with their experience and level of responsibilities assumed in committee and the Board.

The RC is guided by market norms and industry practices when making recommendations for the compensation and benefits of Directors and Senior Management. The RC would review annually the performance of the Directors and Senior Management and recommend the Directors' fees and Directors' remuneration payable to the Board of Directors of the Company and its subsidiaries for Board's approval and would be tabled at the AGM for shareholders' approval in line with the provision of its Constitution and the Companies Act 2016.

7. Remuneration of directors and senior management

7.1 Detailed disclosure of directors' remuneration

The Remuneration of the EDs should be set at a competitive level to recruit and retain high quality EDs and senior management. Individual pay levels shall reflect the performance of the group, market conditions and the individual's skills and experience as well as responsibility undertaken. It is to ensure that the linkage between pay and performance is robust.

The remuneration package of the EDs consists of monthly salary, bonus and benefits-in-kind such as company car and the benefit of Directors and Officers Liability Insurance in respect of any liabilities arising from acts committed in their capacity as Directors and Officers of the Company.

As for NEDs, the remuneration should take into account fee levels and trends for similar positions in the market and the time commitment required from the director. Such packages should take into consideration any additional responsibilities undertaken such as a director acting as chairman of the Board, chairman of a Board committee or as the senior independent director.

Details of the Directors' Remuneration (including benefits-in-kind) of each Director during the FPE2021 are as follows:

i) **Aggregate Directors' Remuneration**

	Group		Company	
Categories of remuneration	**Executive Directors RM**	**Non-Executive Directors RM**	**Executive Directors RM**	**Non-Executive Directors RM**
Director Fees	453,750	141,565	453,750	141,565
Salaries / Bonuses	272,250	-	272,450	-
Other emoluments	117,928	21,000	117,928	21,000
Total	843,928	162,565	843,928	162,565

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

7.1 Detailed disclosure of directors' remuneration (cont'd)

ii) **Analysis of Directors' Remuneration**

Total remuneration of Directors in respect of the FPE2021, in bands of RM50,000 is tabulated below:

	Group		Company	
Range of remuneration (RM)	**Executive Directors**	**Non-Executive Directors**	**Executive Directors**	**Non-Executive Directors**
Up to 50,000	-	-	-	2
50,001 – 100,000	-	-	-	2
100,001 – 150,000	-	-	-	-
150,001 - 200,000	-	-	-	-
200,001 – 250,000	-	-	-	-
More than 250,000	-	-	2	-

iii) **Breakdown of Directors' Remuneration (Company)**

	Director Fees (RM)	**Salary, Bonus (RM)**	**EPF, SOCSO and EIS Contribution (RM)**	**Benefit* (RM)**	**Total (RM)**
Executive Directors					
Tang Boon Koon	453,750	-	-	81,381	535,131
Chen Huei Ping	-	272,250	36,547	-	308,797
Total	453,750	272,250	36,547	81,381	843,928
Non-Executive Directors					
Khairul Azwan bin Harun *(Appointed on 13 January 2022)*	-	-	-	-	-
Kunamony A/P S.Kandiah	52,500	-	-	7,500	60,000
Ng Kok Hok *(Appointed on 4 June 2021)*	14,000	-	-	-	14,000
Y.M. Raja Hizad Bin Raja Kamarulzaman *(Demised on 22 November 2021)*	49,500	-	-	7,500	57,000
Yong Ket Inn *(Resigned on 5 March 2021)*	25,565	-	-	6,000	31,565
Total	141,565	-	-	21,000	162,565

* Insurance Premium and Company Car instalment paid by the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

7.1 Detailed disclosure of directors' remuneration (cont'd)

iv) **Breakdown of Directors' Remuneration (Group)**

	Director Fees (RM)	Salary, Bonus (RM)	EPF, SOCSO and EIS Contribution (RM)	Benefit* (RM)	Total (RM)
Executive Directors					
Tang Boon Koon	453,750	-	-	81,381	535,131
Chen Huei Ping	-	272,250	36,547	-	308,797
Total	453,750	272,250	36,547	81,381	843,928
Non-Executive Directors					
Khairul Azwan bin Harun *(Appointed on 13 January 2022)*	-	-	-	-	-
Kunamony A/P S.Kandiah	52,500	-	-	7,500	60,000
Ng Kok Hok *(Appointed on 4 June 2021)*	14,000	-	-		14,000
Y.M. Raja Hizad Bin Raja Kamarulzaman *(Demised on 22 November 2021)*	49,500	-	-	7,500	57,000
Yong Ket Inn *(Resigned on 5 March 2021)*	25,565	-	-	6,000	31,565
Total	141,565	-	-	21,000	162,565

***** Insurance Premium and Company Car instalment paid by the Company.

7.2 Remuneration of top five (5) senior management

The Company notes the need for transparency in the disclosure of its key senior management remuneration, the Company is of the opinion that the disclosure of remuneration details may be detrimental to its business interests, given the competitive landscape for key senior management personnel with the requisite knowledge, technical expertise and working experience in the Company's business activities. Apart from that, the said disclosure may also attract unnecessary head-hunting activities from competitors which will ultimately jeopardize on the Group's operations.

The Company is of the view that the interest of the shareholders will not be prejudiced as a result of such non-disclosure of the information on key senior management personnel and their remuneration.

The ED is also the key senior management of the Company, whose remuneration has been included in the disclosure under the Directors' Remuneration above.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Part I - AC

8. AC

8.1 Chairman of the AC

The AC is relied upon by the Board to, amongst others, provides advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situation. The AC also undertakes to provide oversight on the risk management framework of the Group.

The AC currently comprises of three (3) members, all of whom are INEDs. The AC Chairman is led by Mr Ng Kok Hok who is distinct from the Chairman of the Board.

8.2 Key audit partner

The AC has adopted a policy as stipulated in Practice 8.2 of the MCCG that key audit partner should observe a cooling-off period of at least two (2) years before being appointed a member of the AC. Nonetheless, none of the current members of the AC is a former key audit partner involved in auditing the Group.

The said policy has been incorporated in the Terms of Reference of the AC, a copy of which is available on the Company's website at https://www.mtouche.com

8.3 External auditor

The Board maintains a transparent and professional relationship with the external auditors, with the AC responsible for recommending the appointment or removal of external auditors and the terms of their engagement to the Board.

The AC's policies and procedures to review, assess and monitor the performances, suitability and independence of the external auditors. Prior to the commencement of the annual audit, the AC shall seek confirmation from the external auditors as to their independence. This independence confirmation would be re-affirmed by the external auditors to the AC upon their completion of the annual audit. These confirmations were made pursuant to the independence guidelines of the Malaysian Institute of Accountants.

During FPE2021, there was a change of external auditors of the Company and its subsidiary from Grant Thornton Malaysia PLT to Messrs. Afrizan Tarmili Khairul Azhar and the external auditors had private sessions with the AC without the presence of Management to exchange views and opinions in relation to the Group's audit and financial reporting.

In addition, the AC undertakes an annual assessment of the suitability and independence of the external auditors as well as the performance of the external auditors, including the review of calibre of the audit firm, quality of processes, audit team, independence and objectivity, audit scope and planning, audit fees and audit communications. Further, the Board, through the recommendation of the NC, had evaluated the effectiveness of the AC and members of the AC in January 2022.

Based on the AC's assessment of the external auditors, the Board is satisfied with the quality of service and adequacy of resources provided by the external auditors in carrying out the annual audit for FPE2021. The AC has also sought assurance from the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out in the By-Laws (On Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accounts. In view thereof, the Board has recommended the re-appointment of the external auditors for the approval of the shareholders at the forthcoming 17th AGM.

Further details on the work performed by AC in furtherance of its oversight role are set out in the AC Report on pages 35 to 37 of this Annual Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

8.4 Independence of the AC

The AC complies with the recommendation of the MCCG requiring all members to be independent and at least one (1) member fulfils qualifications prescribed by the Listing Requirements. There is a strong element of independence to fulfil their role objectively and provide a critical and sounding view in ensuring the integrity of financial controls and integrated reporting, and identifying and managing key risk.

8.5 Financial literacy

All members of the AC are financially literate and assist the Board to oversee and scrutinise the process and quality of the financial reporting and ensure accuracy, adequacy and completeness of the report, as well as in compliance with the relevant accounting standards. The qualification and experience of the individual Audit Committee members are disclosed in the Profile of Directors in the Annual Report.

All members of the AC undertake continuous professional development and have annual discussion with the external auditors on financial reporting development to keep themselves abreast of the relevant developments in accounting and auditing standards, practices and rules. A summary of training programs, conferences and seminars attended by AC members during the financial period under review is set out in this Annual Report.

Part II - Risk Management and Internal Control Framework

9. Risk management and internal control framework

The Board fulfils its responsibilities in the risk governance and oversight functions via a risk management and internal control framework which adopts a structured and integrated approach in managing key business risks. This framework together with the system of internal control are designed to manage the Group's risks within its acceptable risk appetite, rather to eliminate the risk of failure to achieve the Group's business goals and corporate objectives.

The AC oversees the risk management framework of the Group, reviews the risk assessment and management policies formulated by Management regularly together with the Internal Auditors and makes relevant recommendations to Management to update the Group Risk Profile. The AC also discusses with the Board on areas of high risk faced by the Group and the adequacy of compliance and control throughout the organisation, and makes relevant recommendations to the Board to manage residual risks.

The Board also reviews all significant litigation, actions, transactions, issues, papers and reports to external parties which may impact the Group directly or indirectly. This is to ensure that there are no adverse public, governmental or regulatory effects arising thereon. The AC also works with the internal and external auditors to review and improve the system of internal control from time to time with the objective to safeguard the assets of the Group and to ensure proper accountability at all levels of operation.

The Company has engaged an external consultant to assist the AC in discharging its duties and responsibilities in respect of identifying, assessing and managing the risks in areas that are applicable to the Company's business and ensure that the risk management process in place and functioning effectively.

Based on the above, the Board is of the view that the risk management process and system of internal control were in place during FPE2021 for identifying, evaluating and managing significant risks faced or potentially to be encountered by the Group.

Further details of the risk management and internal control framework are set out in the Statement on Risk Management and Internal Control on pages 38 to 40 of this Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

10. Internal audit function

As for the adequacy and effectiveness of the risk management and system of internal control, it is reviewed by the AC with assistance from the internal auditors. The internal audit function is outsourced to an independent assurance provider, namely Kloo Point Risk Management Services Sdn. Bhd. ("Kloo Point") to provide an independent and objective assurance on the effectiveness of governance, risk management processes and internal control system of the Group. The internal auditors' independence is maintained by reporting directly to the AC. The engaging partner and team have relevant qualifications and/or experience in internal auditing and they are free from any relationships or conflict of interests with the Company, to ensure the Internal Auditors' objectivity and independence are not impaired.

Kloo Point's engagement director in charge of the Group's internal audit is Mr Khor Ben Jin, a fellow member of the Association of the Chartered Certified Accountants, United Kingdom (FCCA), Chartered Accountant of Malaysian Institute of Accountants (MIA), Certified Internal Auditor, United States of America (CIA) and Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA).

The responsibilities of the Internal Auditors include providing independent and objective reports on the state of internal controls and the significant operating units in the Group to the AC, with recommendations for improvement to the control procedures, so that remedial actions can be taken in relation to weaknesses noted in the systems. Internal audit reports which are issued have to be tabled to the AC for review and Management is required to be present at AC meetings to respond, provide feedback on the audit findings, provide status updates on significant matters and changes in key processes that could impact the Group's operations and recommended improvements.

During the financial period under review, the internal auditors have conducted review on the Group in accordance to the Internal Audit Plans which was prepared in accordance with International Standards for the Professional Practice of Internal Auditing, which have been approved by the AC. The Internal Auditors will perform periodic testing of the internal control systems to ensure that the system is robust.

Details of the internal audit function are included in the AC Report on pages 36 to 37 of this Annual Report which provides the overview of the internal control framework adopted by the Company during FPE2021.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Part I - Communication with Stakeholders

11. Continuous communication between company and stakeholders

The Board is committed to ensuring that communications to stakeholders and the investing public in general is timely and factual and are available on an equal basis. The Board is also aims to maintain a positive relationship with the different group of stakeholders through active two-way communication, and to promote and demonstrate a high standard of integrity and transparency through timely, accurate and full disclosure and to enhance the stakeholders' understanding of the Group, its core businesses and operations, thereby, enabling investors to make informed decisions in valuing the Company's shares.

The Group leverages on a number of formal channels for effective dissemination of information to the shareholders and other stakeholders, particularly via annual reports, circulars or statements to shareholders, quarterly and annual financial statements, and announcements from time to time. The release of announcements and information by the Group to Bursa Securities, is handled by the EDs and/or the Company Secretaries within the prescribed requirements of the Listing Requirements. As these announcements and information can be price-sensitive, they will only be released after having reviewed by the ED and/or the Board where necessary.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

11. Continuous communication between company and stakeholders (cont'd)

The Board recognises the importance of being transparent and accountable to the Company's stakeholders. Towards this, the Company's website at https://www.mtouche.com incorporates an investor relations and governance section which provides all relevant information to stakeholders and the investing community and is accessible by the public. This investor relations and governance section enhances the investor relations function by including all announcements made, financial information, annual reports as well as the corporate and governance structure of the Company.

Any shareholders' queries or concerns relating to the Group may be conveyed to our ED at our principal place of business as detailed below:

Lot 11.3, 11th Floor, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
Email: my_info@mtouche.com
Phone: (03) 7886 0100
Fax: (03) 7886 0122

Our AC Chairman is designated by the Board to be the contact for consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the ED. The AC Chairman is contactable via his e-mail at kokhok@mtouche.com.

Part II - Conduct of General Meetings

12. Shareholder participation at general meetings

The AGM serves as a principal forum for the Group's dialogue with shareholders. All shareholders are encouraged to attend the AGM, during which they can participate and given the opportunity to ask questions and vote on important matters affecting the Group, including the election/re-election of Directors, business operations, and the financial performance and position of the Group.

All Directors (which include the Chairs of all mandated Board committees) shall endeavour to present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company at the AGM. The senior management and external auditors will also be present at the meeting to answer shareholders' queries on their audit process and report, the accounting policies adopted by the Group, and their independence.

The Company's Notice of the 17th AGM and the Annual Report is sent to shareholders at least 28 clear days prior to the meeting in compliance with the 28-days requirement under the Company's Constitution, the Act, and the Listing Requirements so that shareholders have sufficient time to review annual report, to appoint proxies and to consider the resolutions that will be discussed and decided at the AGM.

The Company shall conduct the forthcoming AGM by poll or electronic voting instead of voting by show of hands as practised previously in compliance with the Listing Requirements. The outcomes of the polls on the proposed resolutions will be announced to the Bursa Securities and posted on the Group's website after the AGM.

The Company's share registrar is well equipped to facilitate the conduct of a poll and the Company will ensure at least one (1) independent scrutineer is appointed to validate the votes cast at the meeting.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board on 28 January 2022.

1. UTILISATION OF PROCEEDS

Rights Issue I

The Company has undertaken renounceable rights issue with free detachable warrants ("Warrants C") which was completed on 9 November 2017 following the listing and quotation of 381,215,956 ordinary shares, 190,607,977 Warrants C, 3,014,080 additional Warrants A and 2,173,723 additional Warrants B on the ACE Market of Bursa Securities ("Rights Issue I"). The Right Issues I has raised total gross proceeds of RM76.24 million. Status of utilisation of proceeds as at 30 September 2021, are as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised Proceeds RM'000	Intended Timeframe for Utilisation	Revised Intended Timeframe for Utilisation
Upgrading of existing Mobile ValueAdded Service Platform	2,500	2,500	-	within 12 months	No change
Development of a Mobile Digital Ecosystem Platform	7,500	7,500	-	within 18 months	No change
Working Capital	3,035	3,035	-	within 24 months	No change
* Acquisition of new office premises	7,500	-	7,500	within 24 months	No change
Regional business expansion	12,000	12,000	-	within 24 months	No change
Acquisition and/or investment in other complementary business and/or assets	42,708	42,708	-	within 24 months	No change
Expenses in relation to the Corporate Exercise	1,000	1,000	-	Immediate	No change
Total	**76,243**	**68,743**	**7,500**		

* The Company has obtained approval from the shareholders to grant the Company an additional timeframe to acquire of new office premises for further 36 months from the previous timeframe (i.e. by 9 November 2022) at the Extraordinary General Meeting held on 2 April 2021.

Private Placement I

On 10 July 2020, the Company had raised total proceeds of RM4.15 million from the private placement I by issuance of 70,690, 327 new ordinary shares. Status of utilisation of proceeds as at 30 September 2021 are as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised Proceeds RM'000	Intended Timeframe for Utilisation
Business expansion	3,050	3,050	-	within 12 months
General working capital	1,000	1,000	-	within 12 months
Expenses in relation to the Proposed Private Placement	100	100	-	Immediate
Total	4,150	4,150	-	

1. UTILISATION OF PROCEEDS (CONT'D)

Private Placement II

On 23 September 2020, the Company had raised total proceeds of RM14.82 million from the private placement II by issuance of 243,759,500 new ordinary shares. Status of utilisation of proceeds as at 30 September 2021 are as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised Proceeds RM'000	Intended Timeframe for Utilisation
Development of OTT Media Platform	7,200	7,200	-	within 18 months
Operating expenses and working capital	7,421	4,000	3,421	within 24 months
Expenses in relation to the Proposed Private Placement	200	200	-	Immediate
Total	14,821	11,400	3,421	

Private Placement III

On 15 January 2021, the Company had raised total proceeds of RM7.2 million from the private placement III by issuance of 116,498,000 new ordinary shares. Status of utilisation of proceeds as at 30 September 2021 are as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised Proceeds RM'000	Intended Timeframe for Utilisation
Purchase of COVID-19 Test Kits and related equipment	4,400	4,400	-	within 6 months
Set up of clean room and cold storage facility	2,000	500	1,500	within 12 months
Working capital for the Distribution and Sale of Test Kits Business	400	400	-	within 24 months
Expenses in relation to the Private Placement January 2021	400	400	-	Immediate
Total	7,200	5,700	1,500	

1. UTILISATION OF PROCEEDS (CONT'D)

Rights Issue II

The Company has undertaken renounceable rights issue with free detachable warrants ("Warrants D") which was completed on 10 June 2021 following the listing and quotation of 794,323,417 ordinary shares and 397,161,708 Warrants D on the ACE Market of Bursa Securities ("Rights Issue II"), The Rights Issues II has raised total gross proceeds of RM79.43 million. Status of utilisation of proceeds as at 30 September 2021 are as follows:-

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised Proceeds RM'000	Intended Timeframe for Utilisation
Expansion of the Distribution and Sale of Test Kits Business	10,000	10,000	-	Within 12 months
Funding for the Wellness Business	56,000	-	56,000	within 36 months
Working capital	12,432	-	12,432	within 24 months
Expenses in relation to the Corporate Exercise	1,000	1,000	-	Immediate
Total	79,432	11,000	68,432	

Save for the above, there was no other corporate proposal undertaken by the Company during FPE2021 and hence no additional proceeds were raised.

2. AUDIT AND NON-AUDIT FEES

The audit and non-audit fees paid or payable to the external auditors for FPE2021 are as follows:-

Details of fees	Group (RM)	Company (RM)
Statutory Audit Fees	175,000	150,000
Non-Audit Fees	10,000	10,000
Total	**185,000**	**160,000**

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors and/or major shareholders' interests which were still subsisting at the end of the financial period or since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

There were no recurrent related party transactions of revenue nature entered into during the FPE2021.

5. EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The ESOS of the Company was approved by the shareholders at the Extraordinary General Meeting held on 23 January 2017 and is governed by the By-laws.

The ESOS shall be in force for a period of five (5) years from the effective date and may be extended for such further period, at the sole and absolute discretion of the Board upon the recommendation by the ESOS Committee, provided always that such extension of the scheme made pursuant to the By-laws shall not in aggregate exceed a duration of ten (10) years or such other period as may be prescribed by Bursa Malaysia Securities Berhad or any other relevant authorities from the effective date of the ESOS.

The ESOS was implemented on 13 November 2017. As at the date of printing of this Annual Report, a total of 186,104,940 options were offered to eligible employees under the ESOS.

There is one (1) ESOS in existence during the financial period ended 30 September 2021 with information as follows:-

Total number of options / shares outstanding as at 1 July 2020	Total number of options exercised during the financial period ended 30 September 2021	Total number of options / shares granted during the financial period ended 30 September 2021	Total options/ shares outstanding as at 30 September 2021
-	186,104,940	186,104,940	-

OPTIONS GRANTED TO DIRECTORS AND CHIEF EXECUTIVE

Total number of options / shares outstanding as at 1 July 2020	Aggregate options exercised or vested during the financial year period ended 30 September 2021	Aggregate options / shares granted during the financial period ended 30 September 2021	Aggregate options/ shares outstanding as at 30 September 2021
-	-	-	-

OPTIONS GRANTED TO DIRECTORS AND SENIOR MANAGEMENT

	During the financial period ended 30 September 2021	Since commencement of the ESOS on 13 November 2017
Aggregate maximum allocation in percentage	Nil	Nil
Actual percentage granted	Nil	Nil

Breakdown of the options offered to and exercised by non-executive Directors pursuant to ESOS in respect of the financial period are as follows:

Name of Directors	Amount of Options Granted	Amount of Options Exercised
Khairul Azwan bin Harun *(Appointed on 13 January 2022)*	Nil	Nil
Ng Kok Hok *(Appointed on 4 June 2021)*	Nil	Nil
Tang Boon Koon	Nil	Nil
Chen Huei Ping	Nil	Nil
Kunamony A/P S.Kandiah	Nil	Nil
Yong Ket Inn *(Resigned on 5 March 2021)*	Nil	Nil
The late Y.M. Raja Hizad Bin Raja Kamarulzaman *(Demised on 22 November 2021)*	Nil	Nil

The Audit Committee ("AC") was established to act as a committee of the Board of Directors ("Board") with the primary objective of assisting the Board in fulfilling its fiduciary duties in relation to:

- Assessing the processes in relation to the risk and control environment;
- Implement and support the oversight function of the Board in relation to overseeing financial reporting and internal controls; and
- Evaluating the internal and external audit processes.

The AC is guided by its terms of reference which can be viewed on the Company's website.

COMPOSITION AND MEETINGS

The AC is led by Mr. Ng Kok Hok, a Chartered Accountants at Malaysia Institute of Accountant and the members of the AC during the financial period ended 30 September 2021 ("FPE2021") together with their attendance record at meetings held during FPE2021 are as follows:

Name	Designation	Status of Directorship	No. of meetings attended/No. of meetings held*	Percentage
Ng Kok Hok *(Appointed on 4 June 2021)*	Chairman	Independent Non-Executive Director	1/1	100%
Kunamony A/P S.Kandiah	Member	Senior Independent Non-Executive Director	6/6	100%
Khairul Azwan bin Harun *(Appointed on 13 January 2022)*	Member	Independent Non-Executive Director / Chairman	N/A	N/A
The late Y.M. Raja Hizad Bin Raja Kamarulzaman *(Demised on 22 November 2021)*	Member	Independent Non-Executive Director / Chairman	6/6	100%
Yong Ket Inn *(Resigned on 5 March 2021)*	Chairman	Independent Non-Executive Director	4/4	100%

Whilst the AC's terms of reference require the AC to meet at least four (4) times in a financial year, it met six (6) times during FPE2021. The Company Secretaries who are also the Secretaries to the AC were in attendance during the meetings. Senior members of Executive Management, if necessary, were invited to the meetings to deliberate on matters within their purview.

After each meeting, the AC Chairman will update the Board on matters deliberated for the Board's reference and notation. Matters reserved for the Board's approval are tabled at Board meetings. The Company Secretaries then document the decisions made and actions required and forward them to Executive Management for their action.

SUMMARY OF ACTIVITIES

The following activities were carried out by the AC in the discharge of its functions and duties to meet its responsibilities for FPE2021:

(a) Financial Results/Audited Financial Statements

- Reviewed and recommended the quarterly financial results of the Group (including announcements) and the annual financial statements of the Group and Company and ensure, amongst others, that it complies with applicable financial reporting standards prior to submission to the Board of Directors for consideration and approval.
- Deliberated on significant matters raised by the external auditors including financial reporting issues, significant judgements made by Executive Management, significant and unusual events or transactions and management's reports and updates on actions recommended by the external auditors for improvement.
- Reviewed any changes in the implementation of major accounting policies and practices to the Group.

SUMMARY OF ACTIVITIES (CONT'D)

(b) External Audit

- Reviewed and approved the external auditors' scope of work and audit plan prior to commencement of the annual audit.
- Reviewed the proposed external audit fees for approval of the Board.
- Reviewed and discussed with the external auditors, the results of the audit (including post-mortem audit), the audit report and findings noted in the course of their audit and reported the same to the Board.
- Evaluated the independence and performance of the external auditors and recommended their fees and re-appointment to the Board for approval.
- Met with the external auditors without the presence of Executive Management to have a frank and candid dialogue, and to exchange free and honest views and opinions.

(c) Internal Audit

- Reviewed and approved the internal audit plan and the internal auditors' scope of work.
- Reviewed and discussed with the internal auditors, their audit findings, recommendation, management responses to the audit findings, proposed action plan and issues arising during the course of audit.
- Reviewed the adequacy and effectiveness of corrective actions taken by Executive Management on all significant matters raised by the internal auditors.

(d) Related Party Transactions

- Reviewed potential related party transactions and conflicts of interest, if any, that may arise including any transaction, procedure or course of action or conduct that raised questions of Executive Management's integrity.

(e) Annual Report/Other Governance Practices in the Group

- Reviewed and issued this Report for inclusion in the Annual Report.
- Reviewed the Statement on Risk Management and Internal Control, Corporate Governance Overview Statement, Corporate Governance Report, on behalf of the Board for inclusion in the Annual Report.
- Reviewed the minutes of meetings of the Audit Committee.
- Reviewed the acquisition and the disposal of subsidiaries, major investment or fixed assets prior recommending the same to the Board of Directors for approval.
- Reviewed the corporate proposals to be undertaken by the Company and utilisation of the total proceeds raised from the previous corporate proposal.
- Reviewed the Anti-Bribery and Anti-Corruption Policies.

TERMS OF REFERENCE OF AUDIT COMMITTEE

The full details of terms of reference of the Audit Committee are published on the Company's website at https://www.mtouche.com.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional consulting firm to assist the AC in discharging its responsibilities and duties. The Internal Auditors report directly to the AC and provide the AC with an independent assessment on the adequacy and effectiveness of the Group's risk management and system of internal control. Cost incurred for the internal audit function in respect of the FPE2021 amounted to RM13,000.00.

INTERNAL AUDIT FUNCTION (CONT'D)

The role of the internal audit function is to undertake independent regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that such systems continue to operate satisfactory and effectively in the Group. The internal audit staff on the engagement are independent and free from any relationships or conflicts of interest, which could impair their objectivity and independence.

The internal auditors present their audit reports which include their findings and recommendations for improvements to the AC for its review and deliberation. The AC also appraised the adequacy of the comments, actions and measures to be taken by Executive Management in resolving the audit issues reported and recommended for further improvement.

The internal auditor carried out their review by performing the following activities:-

- Identification of risk areas in relation to the process area;
- Assessment of existing control in place;
- Identification of control weaknesses, if any;
- Identification of related risks left uncontrolled; and
- Highlight the need for improvement.

During the FPE2021, the internal audit scope covered the review of the adequacy and effectiveness of the systems of internal control of the business processes in accordance with the internal audit plan approved by the AC as follows:

Project Management

a) Compliance with established policies and procedures/methodology
b) Program communication, documentation and traffic reporting system
c) Program monitoring and billing process
d) Contract management

Based on the internal audits conducted, the AC and internal auditors did not detect any significant weakness which would result in material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

The details of the internal audit function are set out in the Statement on Risk Management and Internal Control of this Annual Report.

NG KOK HOK
Chairman of Audit Committee

28 January 2022

Statement on Risk Management and Internal Control

This Statement on Risk Management and Internal Control which has been prepared in accordance with the Statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuers) ("Guidelines") is made pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

BOARD RESPONSIBILITY

The Board of Directors ("Board") acknowledges that risk management and the internal control system are integral to corporate governance and that its focus on risk oversight is critical to set the right tone and culture towards effective risk management and internal control in the Group.

The Board recognises that the risk management processes and internal control system are designed to manage the Group's risks within its acceptable risk appetite, rather to eliminate the risks of failure to achieve business goals and objectives. As risks are inherent in all business activities, the Board can only ensure that the said processes and system in place provide reasonable rather than absolute assurance against the risks of material misstatement of financial information or against financial losses and fraud or breaches of laws and regulations.

The Audit Committee ("AC") assists the Board in reviewing the adequacy and effectiveness of the system of internal control in the Group while risk management is under the Board's purview.

RISK MANAGEMENT PROCESS AND INTERNAL CONTROL SYSTEM

In order to achieve a sound system of risk management and internal control, the Board together with Management ensures that the risk management practices and processes and internal control system is embedded into the culture, processes and structures of the Group. The Board is responsible in determining the overall risk appetite and delegates the responsibility of implementing the processes for identifying, evaluating, monitoring, and reporting of risks and internal control, including taking appropriate and timely corrective actions as needed, to the Management.

The Group adopts a Three Line of Defence Model in its risk management framework.

- The first line of defence is carried out via the internal controls in places as part of the day to day operations.
- The second line of defence relates to the oversight function by both the Board and Management.
- The final and third line of defence is that of the independent assurance providers, namely the Internal Auditors. This process has been in place throughout the financial period.

As the Group operates with a relatively small number of managers and business operations being non-complex, the Board opined that the said risk management practices and processes, coupled with the Executive Directors' dominant role in the Group's operations and their vast experience in the ICT industry, are for the moment adequate to monitor, communicate and manage risks in the Group.

The Board is aware of the risks that the Group faces in achieving its strategic objectives, and it is conscious that the Group's risk appetite is tailored and proportionate to the Group. In this context, the Board has been an active participant in identifying, assessing and responding to business risks. To this end, the Board has ensured that the Group provides a control environment that includes:

Clear roles and responsibilities

The Group has in place an organisational structure with clearly defined lines of responsibilities and appropriate levels of delegation and authority. The roles and responsibilities of the Board is set out in the Board Charter. Committees namely AC, Nomination Committee and Remuneration Committee with clearly defined Terms of Reference are established to assist the Board to discharge its responsibilities. Authority limits within the Group facilitates accountability and supports an efficient decision-making process.

RISK MANAGEMENT PROCESS AND INTERNAL CONTROL SYSTEM (CONT'D)

Written communication of values

To facilitate effective and efficient operations, clear formalised internal policies and procedures are in place to support the Group to achieve its objectives. These policies and procedures serve as a guideline to ensure compliance with applicable laws and regulations, and also internal controls with respect to the conduct of business.

The Code of Ethics and Conduct spelled out that:

Our employees shall at all times comply with and observe the rules and procedures set out under this Code which includes but not limited to the following:

- Compliance with Circulars, Guidelines and Policies
- Ensuring Information Confidentiality
- Ensuring Fair and Equitable Treatment
- Commitment to the Group, Quality and Competence
- Reporting Internal Fraud, Theft or Illegal Activities

Our employees shall not conduct the following practices:

- Conflict of Interest
- Misuse of Position and Information
- Fraudulent Records and Transactions
- Unethical and Negligent Conduct

Internal Audit

The Board is committed to articulating, implementing and reviewing the Group's system of internal control and it acknowledges the importance of the internal audit function in this process. The internal audit function has been outsourced to an independent professional service provider namely, Kloo Point Risk Management Services Sdn. Bhd., to assist the AC in discharging their responsibilities and duties. To ensure independence, the internal auditors report directly to the AC.

During the financial period ended 30 September 2021 ("FPE2021"), the internal audit of the Group was carried out in accordance with a risk-based audit plan approved by the AC. The internal audit provides an assessment of the adequacy, efficiency and effectiveness of the Group's system of internal control to ensure that the internal controls are viable and robust and where necessary, recommended improvements are presented to the AC for consideration.

The key elements of the Group's system of internal control include:

(i) A management organisational structure with clearly defined lines of responsibilities, authority and accountability;
(ii) Approval and authority limits are imposed on key and senior management in respect of daily operations and major non-operating transactions;
(iii) The Board and AC meet every quarter to discuss financial performances, business operations and strategies and corporate updates.
(iv) Corporate and regulatory matters are controlled centrally at Group level;
(v) An AC comprising solely of Independent Non-Executive Directors with full and unrestricted access to both internal and external auditors; and
(vi) The quarterly financial results and yearly audited financial statements are reviewed by the AC prior to their approval by the Board.

ASSURANCE

The Board has reviewed the adequacy and effectiveness of the Group's risk management processes and system of internal control for FPE2021 and up to the date of this Statement and is of the view that the risk management processes and system of internal control are in place for the period covered by this Statement for identifying, evaluating and managing significant risks faced or potentially to be encountered by the Group.

The Executive Director is accountable to the Board for identifying risks relevant to the business of the Group, implementing and maintaining sound risk management practices and internal controls and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could affect the Group's objectives and performance.

The Executive Director (who also acting as Chief Financial Officer) has provided assurance to the Board that the Group's risk management process and internal control system were operating adequately and effectively in all material aspects, and that there were no material losses incurred as a result of any weaknesses in internal controls that would require disclosure in this Annual Report.

The Board and Executive Management will continuously improve and enhance the system of internal control to ensure its adequacy and relevance in safeguarding shareholders' interests and the Group's assets.

REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITORS

As required by Rule 15.23 of the Listing Requirement, the external auditors have reviewed this Statement. Their review procedures were performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on the Review of Statement on Risk Management and Internal Control ("AAPG 3"), issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management process and system of internal control. AAPG 3 also does not require the external auditors to consider whether the processes described to deal with the material internal control aspects of significant problems, if any, disclosed in this Annual Report will, in fact, remedy the problems.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared in all material aspects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Guidelines, nor is it factually inaccurate.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board dated 28 January 2022.

OUR APPROACH

Sustainability has always been a pillar of the Group's culture as we strived to achieve continuing growth and profitability in a safe, caring and sustainable environment.

The Group understands that responsible corporate behaviour not only contributes to broad-based future benefits for the community and environment but can also enhance opportunities for business success for the Group as well as our stakeholders including, among others, our investors, customers and vendors. Hence, our mission as a responsible corporate citizen is to ensure high standards of governance across our business to promote responsible business practices, manage environmental impacts, and meet the social needs of the community in which we operate.

In line with Bursa Malaysia Securities Berhad's Sustainability Reporting Guide (2nd Edition), the Group's sustainability practices are to ensure that economic, environmental and social risks and opportunities are tied in with our governance framework and social responsibilities. This enables our corporate success and behaviour to be judged and measured by the public.

Our Sustainability Statement helps us understand where we are, what we have already done and to determine areas considered material to the Group and its stakeholders in order that we can identify further initiatives towards addressing sustainability risks and implementing sustainability opportunities.

SUSTAINABILITY GOVERNANCE

The responsibility to promote and embed sustainability in the Group lies with the Board of Directors ("Board"). Among others, this responsibility includes overseeing the following:

- Stakeholders engagement
- Materiality assessment and identification of sustainability risks and opportunities relevant to us
- Management of material sustainability risks and opportunities

In the longer term, the Group will consider the setting-up of a governance structure that will enable the incorporation of the responsibilities for sustainability into the day-to-day operations of the Group.

MATERIAL SUSTAINABILITY MATTERS

Economic

Shareholders

Our shareholders are the ultimate owners of the Company and as such, they are entitled to timely and quality information on the Group's financial performance and position. Apart from the Annual General Meeting where shareholders are encouraged to ask questions to the Board and Executive Management on business operations, and the financial performance and position of the Group, the Group's corporate website at www.mtouche.com also provide a link on investor relations where quarterly and annual financial statements, announcements, financial information, annual reports, circulars/statements to shareholders and other pertinent information are uploaded on a timely basis when available.

Marketplace

The Group is committed to see that not only our shareholders' interests are taken of but also those of our customers and suppliers. In this regard, the Group values its customers as they are a major reason for its profitability. Our marketing and sales representatives schedule regular meetings, both formal and informal, with our customers to build a strong and conducive relationship. The objective of this is to promote a culture of open communication, trust and reliability.

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Economic (cont'd)

Marketplace (cont'd)

The Group is committed to see that not only our shareholders' interests are taken of but also those of our customers and suppliers. In this regard, the Group values its customers as they are a major reason for its profitability. Our marketing and sales representatives schedule regular meetings, both formal and informal, with our customers to build a strong and conducive relationship. The objective of this is to promote a culture of open communication, trust and reliability.

Our Group recognises that consumers' satisfaction is one of the key factors underlying the long term sustainability of our Group's operations. It is the fundamental policy of our Group that all final products and mobile solutions launched into the market must not contain any hazardous element, and must be of high quality to ensure consumers' satisfaction. We uphold the belief that consumer rights should be preserved at all times and are on continuous endeavours to create value-for-money for the consumers. We also wish to be a responsive and reliable partner to our customers within their respective markets.

The COVID-19 pandemic presented a significant challenge to the global economy and many businesses, its rippling effects differ greatly depending on types of industry, while businesses in general are facing sales, earnings and liquidity challenges. Despite these challenging times, businesses need to embrace and adapt quickly to change in order to survive and thrive in this unprecedented crisis. If our existing market continues to present operating challenges, we will explore towards the strategic optimisation of our resources to new markets and market segments.

Moving forwards, the Group will continue to expand the customer base in order to strengthen our market position coupled with the expansion plans for revenue growth. The Group is currently focused on allocating the Group's resources to enhance and expand its Mobile Value-Added Services offerings, which in turn may drive revenue growth for the Group. To achieve sustainability in the long run, the Group opined that other diversification in terms of products and geographical shall also be ventured into to enhance its financial performance and in turn its' shareholders' value in future.

To our suppliers, we are committed to enhance our processes and engaging with our suppliers to identify and manage risks, underpinned by values of integrity and transparency. We look to create value, by looking for opportunities to collaborate and to share best practices with our suppliers. Hence, our suppliers are filtered through careful selection ensuring only the one with specific criteria met are engaged.

Regulatory Compliance

Our Group believes that strict compliance with all relevant laws and regulations is a requisite to promote an ethical and responsible society. To this end, our Group strives to comply with all the relevant laws and regulations applicable to our business operations. Recognising the fact that tax is an important source of income for the government to finance the nation development activities and that everyone will stand to benefit as the nation and economy progress further, our Group places great emphasis in ensuring compliance with the applicable tax regulations and prompt settlement of our tax liabilities.

Our Group's commitment to proper compliance with laws and regulations has proven to be favourable and value-enhancing for our shareholders and stakeholders, as we minimise the exposure to lawsuits.

Environment

The Group is accountable for the impact of its business operations on the environment. We constantly review and monitor our operations to make a positive contribution to the environment, economic and social wellbeing of our stakeholders, employees and the broader community.

Although we generally do not generate any major environmental concerns, the Group is conscious of complying with all applicable environmental laws, guidelines and regulations. As such, our Company is aware of the impact of our business on the environment and has taken active steps to reduce our carbon footprint on the environment.

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Energy and Waste Management

In the work place, the employees have developed a culture of reducing electricity and recycling waste materials. Nevertheless, the employee is encouraged to set power save mode for desktops and notebooks, and switch off air-conditioning and lights during lunch time and after office hours.

Paper recycling initiatives are already in progress by encouraging the employees to prioritise electronic means to share and store documents, and to reduce printing or photocopying, otherwise, to use double sided printing. Additionally, other material such as furnishing and fixture are recycled or reused where possible.

Water Saving Initiatives

Water is a limited resource, and as the world continues to advance and the global population continues to grow, an increasing strain is being placed on the supply of clean water. Water conservation is therefore an area that our Group is works hard on, both improving the efficiency with which we use our water, as well as working to educate our employees and the public about the need to conserve it.

Social

Workforce

We are made up of people with vast experience and industry background. Building capability is key, hence we proactively provide opportunities for growth and development for talent in the organisation through targeted development plans and succession planning. Ensuring our long term sustainability, we continuously invest time and effort in recruiting (internal and external), upskilling, engaging and rewarding talents/employees of the organisation accordingly.

Our Group places emphasis on the following areas which we believe are amongst the primary considerations of an employee for long term loyalty:

- Safe and pleasant working environment: Our Group endeavours to create an inspiring, conducive and pleasant working environment for our employees as part of our policy for talent retention.
- Personal development: On-the-job training and guidance are provided to the employees, from time to time, as the need arises, so that they can execute their roles and responsibilities efficiently as well as for their career development.
- Monetary consideration: Our Group endeavours to ensure attractive remuneration package is offered to recruit and retain talents. Our Group strives to ensure that the remuneration package offered is in line with the market practice, and include all the staff welfare and benefits prescribed by the local authorities and applicable labour laws and regulations.

We will continue to focus on human capital development to nurture our employees to their full potential. The Group also recognises that the Industrial Revolution 4.0 will place pressure in organisations to continuously upskill and reskill our workforce, to stay relevant and productive, so that they can execute their roles and responsibilities efficiently. Employees are encouraged to attend internal or external training or pursue professional development to enhance their knowledge and skill for career enhancement and personal development, in the field of operational, financial, human resource management, technical skills, and others.

The Group recognised that the safety and well-being of its employees is the foundation of its success. Hence, we strive to provide a safe and healthy environment for our employees and to ensure safe practices in all aspects of our business operations.

Amidst the outbreak of COVID-19 pandemic, the Company has kept the minimum number of employees to attend to work during the Movement Control Order. Asides, our essential workers deserve most accolades, we are heartened by ensuring protective masks put on and body temperatures checked before entering into business premise. We are also practicing social distancing with at least one metre.

We will continue to focus on human capital development to nurture our employees to their full potential as they are our greatest asset. Every employee is given equal opportunity to rise up in their careers through hard work and dedication.

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

Community Care

Our Group acknowledges that the long term sustainability and growth of our business is dependent on the well-being of the community. All the key elements of our business (customers, suppliers, human capital) are originating from the community. Our Group has a continuing responsibility to the community to ensure that the Company's activities are conducive towards promoting the economic well-being of its community and are in line with government's economic objectives.

Our Group strongly believes in giving back to society and hence our Group had always devoted to philanthropy. We are deeply rooted in the community we operate and hence we actively engage in community outreach programmes and activities. We are proud of having the privilege to serve various segments of the community towards providing for social empowerment and helping to make a positive difference for people across all walks of life. We have from time to time made donations to various charitable organisation, helping the less fortunate members of our community is our way of giving back to society.

OUR COMMITMENT

As a responsible corporate citizen, the Group shall endeavour to undertake sustainable and responsible practices to add value to sustainable business growth, environmental stewardship and social responsibility.

Statement of Directors' Responsibility

PURSUANT TO RULE 15.26(A) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The Board of Directors ("Board") of the Company is required by the Companies Act, 2016 ("Act") to make a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements for the financial period ended 30 September 2021 have been drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at the end of the financial period and of their financial performance and cash flows for the financial period ended on that date in accordance with Malaysian Financial Reporting Standards and the requirements of the Act.

In preparing the financial statements, the Board has:

- reviewed the accounting policies and ensured that they were consistently applied; and
- in cases where judgements and estimates were made, the judgements and estimates concerned were based on reasonableness and prudence.

The Board has relied on the Group's system of internal control to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

This Statement of Directors' Responsibility is made in accordance with a resolution of the Board dated 28 January 2022.

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DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and the Company for the financial period from 1 July 2020 to 30 September 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, research and development of existing and new technologies in the field of information technology and telecommunications and related activities.

The principal activities of the subsidiaries are disclosed in Note 7 to the Financial Statements.

There have been no significant changes in the nature of these activities of the Company and of its subsidiaries during the financial period.

CHANGE IN THE FINANCIAL YEAR END

During the financial period, the company has changed its financial year end from 30 June 2020 to 30 September 2021. The company is hereby presenting fifteen (15) months accounts from 1 July 2020 to 30 September 2021.

FINANCIAL RESULTS

	Group RM	Company RM
Loss for the financial period	**22,148,069**	**7,419,304**
Attributable to:-		
Owners of the Company	**22,158,631**	**7,419,304**
Non-controlling interests	**10,562**	**-**
	22,148,069	**7,419,304**

In the opinion of the Directors, the results of the operations of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

There were no dividend proposed, declared and paid by the Company since the end of the previous financial year. The Directors did not recommend the payment of any dividend in respect of the financial period ended 30 September 2021.

RESERVES AND PROVISIONS

All material transfer to or from reserves and provisions during the financial period are disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The changes in the issued and paid-up capital of the Company during the financial period are disclosed in the Financial Statements.

There was no issuance of debentures during the financial period.

DIRECTORS

The Directors who held office since the end of the previous financial period are as follows:

Tang Boon Koon (Executive Director)*
Chen Huei Ping (Executive Director)*
Kunamony A/P S. Kanadiah (Senior Independent Non-Executive Director)
Khairul Azwan Harun (Independent Non-Executive Director/Chairman) (Appointed w.e.f 13 Jan 2022)
Ng Kok Hok (Independent Non-Executive Director) (Appointed w.e.f 4 June 2021)
Y. M. Raja Hizad Bin Raja Kamarulzaman (Independent Non-Executive Director/Chairman) (Deceased on 22 Nov 2021)
Yong Ket Inn (Independent Non-Executive Director) (Resigned w.e.f 5 March 2021)

* Directors of the Company and its subsidiaries.

The name of the Directors of the subsidiaries of the Company since the beginning of the financial year and up to the date of this report, not including those Directors listed above are as follows:-

Tao Thi Yen Oanh (Vietnam)
Pham Thi My Hanh (Vietnam)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016 in Malaysia, the interests of Directors in office at the end of the financial period in shares and warrants in the Company and its related corporations during the financial period are as follows:-

	Number of ordinary shares			
	At 1.7.2020	Bought	Sold	At 30.9.2021
Direct interest				
Tang Boon Koon	500,000	-	-	500,000
Chen Huei Ping	500,000	-	-	500,000

DIRECTORS' INTERESTS (CONT'D)

By virtue of their interests in the Company, Tang Boon Koon and Chen Huei Ping are also deemed to have interest in the shares of all the subsidiaries during the financial period to the extent that the Company has an interest under Section 8 of the Companies Act, 2016 in Malaysia.

Other than as disclosed above, none of the other Directors in office at the end of the financial period held any interest in shares and warrants in the Company and its related corporations during the financial period.

DIRECTORS' BENEFITS

During and at the end of the financial period, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial period, no Director has received or become entitled to receive any benefit (other than Directors' remuneration as disclosed in Note 23 to the financial statements) by reason of a contract made by the Company or by a related corporation with the Director or with a firm of which he or she is a member, or with a company in which he or she hasa substantial financial interest except for the remunerations received by certain Directors as directors or executives of related corporations.

INDEMNITY AND INSURANCE COSTS

During the current financial period, the total amount of indemnity coverage and insurance premium paid for Directors and officers of the Company are RM10,000,000 and RM15,000 respectively.

WARRANTS

As at the end of the financial year, the Company has the following outstanding warrants:-

Warrants	Exercise price per ordinary share	Expiry date	Number of warrants outstanding as at 30.9.2021
Warrants 2021/2024	RM0.10	2 June 2024	397,187,049

The Warrants 2021/2024 is entitles its registered holders to subscribe one (1) new ordinary share in the Company at an exercise price of RM0.10 per share, subject to any further adjustments in accordance with the provisions of the deed poll, at any time within 3 years respectively from the date of issue of the warrants. The last date to exercise the warrant rights of Warrant 2021/2024 is 2 June 2024.

WARRANTS (CONT'D)

The details and salient terms of Warrants 2021/2024 is disclosed in Note 13 to the Financial Statements.

There were no new ordinary shares issued by virtue of the exercise of the warrants.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and the Company were made out, the Directors took reasonable steps:

(a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debt; and

(b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render it necessary to write off any bad debts or to make any provision for doubtful debt in the financial statements of the Group and the Company; or

(b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and the Company misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and the Company which has arisen since the end of the financial period to secures the liability of any other person; or

(b) any contingent liability of the Group and the Company which has arisen since the end of the financial period.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the Directors, will or may affect the ability of the Group and the Company to meet its obligations when they fall due.

OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of operations of the Group and the Company for the financial period in which this report is made.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL PERIOD

The significant events during and subsequent to the financial period are disclosed in Note 30 to the Financial Statements.

AUDITORS' REMUNERATION

The auditors' remuneration for the services rendered by the auditors to the Group and the Company for the financial period from 1 July 2020 to 30 September 2021 is disclosed in the Note 19 to the Financial Statements**.**

AUDITORS

The auditors, Messrs. Afrizan Tarmili Khairul Azhar, have indicated their willingness to accept the appointment.

Signed on behalf of the Board in accordance with a resolution of the Directors,

TANG BOON KOON
Director

CHEN HUEI PING
Director

Kuala Lumpur, Malaysia

Date: 28 January 2022

Statement By Directors
Pursuant To Section 251(2) Of The Companies Act 2016

We, **TANG BOON KOON** and **CHEN HUEI PING**, being two of the Directors of **MTOUCHE TECHNOLOGY BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements are properly drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016, so as to give a true and fair view of the financial position of the Group and the Company as at 30 September 2021 and of their financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors,

TANG BOON KOON
Director

CHEN HUEI PING
Director

Kuala Lumpur, Malaysia
Date: 28 January 2022

Statutory Declaration
Pursuant To Section 251(2) Of The Companies Act 2016

I, **TANG BOON KOON** being the Director primarily responsible for the financial management of **MTOUCHE TECHNOLOGY BERHAD**, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the }
abovenamed **TANG BOON KOON** }
at Kuala Lumpur, Malaysia }
on 28 January 2022 }

TANG BOON KOON

Before me:

Kapten (B) Affandi Bin Ahmad W.678
Commissioner for Oaths
Kuala Lumpur, Malaysia

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MTOUCHE TECHNOLOGY BERHAD**, which comprises the statements of financial position as at 30 September 2021, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 60 to 147.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 30 September 2021, and of its financial performance and its cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (*including International Independence Standards)* ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of receivables and deposits

As at 30 September 2021, the receivables and deposits balances of the Group amounted to RM30,702,598.

In assessing the expected credit loss, the Group considered the historical loss rate of the receivables and deposits and any known adverse conditions in respect of the receivables and deposits which would affect the recoverability of the balances.

We focused on this area due to the inherent subjectivity and significance of the amount in making judgement in relation to credit risk exposures in determining the recoverability of the receivables and deposits balances.

Our audit approach to address the Key Audit Matter

Our audit procedures in relation to receivables and deposits recoverability included:

- We performed opening balance procedures on the receivables and deposits balances in adherence with the requirement of International Standards on Auditing 510 (ISA510), Initial Audit Engagements – Opening Balances;
- We scrutinised receivables ageing and investigated trends and conditions that may indicate objective evidence of impairment;
- We assessed critically on the recoverability of receivables and deposits that were past due but not impaired with reference to their historical bad debt expense, ageing profiles of the counter parties and past historical repayment trends;
- We performed subsequent receipt test to ensure the status of recoverability of the receivables balances;
- We reviewed the appropriateness and reasonableness of the assumptions applied in the management assessment of the expected credit loss, taking into account the historical patterns for outstanding receivables and deposits and specific known receivables' circumstances; and
- We evaluated the adequacy of the disclosures in the financial statements.

Key Audit Matters (Cont'd)

Impairment assessment of intangible assets

As at 30 September 2021, the carrying amount of intangible assets of the Group amounted to RM28,538,766.

We focused on impairment assessment of intangible assets as the impairment testing involves significant management judgement in estimating the underlying assumptions to be applied in the discounted cash flows projections of the value in use calculations.

Our audit approach to address the Key Audit Matter

Our audit procedures in relation to impairment assessment of intangible assets included:

- We performed opening balance procedures on the intangible assets balances in adherence with the requirement of International Standards on Auditing 510 (ISA510), Initial Audit Engagements – Opening Balances;
- We obtained an understanding of the methodology adopted by the management in estimating the value in use and assessed whether such methodology is consistently applied;
- We assessed the reliability of the cash flows forecast's key assumptions and supporting evidence of the underlying assumptions by comparing to recent performance and management' forecasted results;
- We tested the sensitivity of the impairment assessment to changes in key assumptions used by the management to evaluate the impact on the recoverable amount; and
- We assessed the adequacy of the disclosures in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and the Company, the Directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also: (cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and the Company, including the disclosures, and whether the financial statements of the Group and the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an option on the financial statements of the Group. We are responsible for the direction, supervision and performance of group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and the Company for the current year and are therefore the key audit matters. We described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expressed to outweigh thre public interest benefits of such communication.

Report on Other Legal and Regulatory Requirement

In accordance with the requirement of the Companies Act, 2016 in Malaysia, we report the subsidiaries, of which we have not acted as auditors, are disclosed in Note 7 to the Financial Statements.

Other Matters

The financial statements of **MTOUCHE TECHNOLOGY BERHAD** for the year ended 30 June 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 30 October 2020.

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

AFRIZAN TARMILI KHAIRUL AZHAR
AF 1300
Chartered Accountants
Kuala Lumpur, Malaysia

IMRAN AZAM SAFAR
03323/09/2023 J
Chartered Accountant (M)
Partner

Date: 28 January 2022

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	Note	Group		Company	
		2021	2020	**2021**	2020
		RM	RM	**RM**	RM
ASSETS					
Non-current assets					
Plant and equipment	4	**1,319,882**	2,682,716	**3,627**	203,486
Right-of-use assets	5	**845,475**	1,041,023	**-**	-
Intangible assets	6	**28,538,766**	39,471,007	**-**	-
Investment in subsidiaries	7	**-**	-	**578,096**	8
Deferred tax assets	8	**2,305,286**	2,028,888	**-**	-
Total non-current assets		**33,009,409**	45,223,634	**581,723**	203,494
Current assets					
Trade and other receivables	9	**30,702,598**	4,382,952	**96,072,050**	65,337,139
Prepayments		**1,047,318**	1,045,949	**-**	-
Other investments	10	**507,880**	804,641	**507,880**	804,641
Tax recoverable		**263,769**	328,031	**253,622**	253,622
Cash and cash equivalents	11	**101,295,043**	19,188,871	**98,245,818**	15,757,844
Total current assets		**133,816,608**	25,750,444	**195,079,370**	82,153,246
Total assets		**166,826,017**	70,974,078	**195,661,093**	82,356,740
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners					
Share capital	12	**242,386,011**	121,398,378	**242,386,011**	121,398,378
Reserves	13	**(2,252,451)**	(335,124)	**-**	-
Accumulated losses		**(80,085,491)**	(58,309,011)	**(47,311,636)**	(39,892,332)
		160,048,069	62,754,243	**195,074,375**	81,506,046
Non-controlling interests		**(1,685,591)**	(1,734,455)	**-**	-
Total equity		**158,362,478**	61,019,788	**195,074,375**	81,506,046
LIABILITIES					
Non-current liabilities					
Provision of restoration cost	14	**-**	20,000	**-**	-
Lease liabilities	15	**526,103**	626,324	**-**	-
Defined benefit obligations	16	**432,621**	882,278	**-**	-
Total non-current liabilities		**958,724**	1,528,602	**-**	-
Current liabilities					
Trade and other payables	17	**7,128,512**	7,409,333	**586,718**	850,694
Lease liabilities	15	**376,303**	466,507	**-**	-
Tax payable		**-**	549,848	**-**	-
Total current liabilities		**7,504,815**	8,425,688	**586,718**	850,694
Total liabilities		**8,463,539**	9,954,290	**586,718**	850,694
Total equity and liabilities		**166,826,017**	70,974,078	**195,661,093**	82,356,740

The accompanying notes form an integral part of the financial statements

Statements Of Profit Or Loss And Other Comprehensive Income For The Financial Period From 1 July 2020 To 30 September 2021

	Note	Group 1.7.2020 to 30.9.2021	Group 1.7.2019 to 30.06.2020	Company 1.7.2020 to 30.9.2021	Company 1.7.2019 to 30.06.2020
Revenue	18	**18,825,307**	9,178,431	**-**	-
Cost of sales		**(17,318,093)**	(5,506,965)	**-**	-
Gross profit		**1,507,214**	3,671,466	**-**	-
Other income		**1,015,552**	28,016,843	**723,126**	1,872,988
Administrative expenses		**(6,028,750)**	(5,819,982)	**(1,280,364)**	(837,660)
Other expenses		**(19,024,297)**	(52,730,420)	**(6,862,066)**	(7,109,214)
Finance costs		**(143,832)**	(202,202)	**-**	-
Loss before tax	19	**(22,674,113)**	(27,064,295)	**(7,419,304)**	(6,073,886)
Tax expense/(income)	20	**526,044**	48,985	**-**	(3,424)
Loss for the period/year		**(22,148,069)**	(27,015,310)	**(7,419,304)**	(6,077,310)
Other comprehensive loss:-					
Item that will be subsequently reclassified to profit or loss					
Exchange differences on translating foreign operation, net of tax		**(1,878,562)**	(2,929,384)	**-**	-
Items that will not be subsequently reclassified to profit or loss					
Actuarial gain on defined benefit obligations	16	**240,641**	257,453	**-**	-
Income tax effect	8	**141,510**	(35,407)	**-**	-
		382,151	222,046	**-**	-
Other comprehensive loss for the financial period/year, net of tax		**(1,496,411)**	(2,707,338)	**-**	-
Total comprehensive loss for the financial period/year		**(23,644,480)**	(29,722,648)	**(7,419,304)**	(6,077,310)
Loss for the financial period/year attributable to:-					
- Owners of the Company		**(22,158,631)**	(26,976,646)	**(7,419,304)**	(6,077,310)
- Non-controlling interests		**10,562**	(38,664)	**-**	-
		(22,148,069)	(27,015,310)	**(7,419,304)**	(6,077,310)
Total comprehensive loss attributable to:-					
- Owners of the Company		**(23,693,344)**	(29,644,567)	**(7,419,304)**	(6,077,310)
- Non-controlling interests		**48,864**	(78,081)	**-**	-
		(23,644,480)	(29,722,648)	**(7,419,304)**	(6,077,310)
Losses per share attributable to the owner of the Company	21				
- Basic		**(6.37)**	(5.16)		
- Diluted		**(2.97)**	(3.78)		

The accompanying notes form an integral part of the financial statements

	Attributable to owners of the Company									
	Non-distributable						Distributable			
	Share capital (Note 12) RM	Employee share options reserve (Note 13) RM	Foreign currency translation reserve (Note 13) RM	Warrant reserve (Note 13) RM	Discount on shares (Note 13) RM	Other capital reserve (Note 13) RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total RM
Group										
Balance as at 1 July 2019	104,047,413	-	1,090,000	22,984,556	(22,984,556)	1,464,843	(31,493,071)	75,109,185	(1,656,374)	73,452,811
Effect of adoption of MFRS 16	-	-	-	-	-	-	(61,340)	(61,340)	-	(61,340)
Balance as at 1 July 2019, as restated	104,047,413	-	1,090,000	22,984,556	(22,984,556)	1,464,843	(31,554,411)	75,047,845	(1,656,374)	73,391,471
Transactions with owners:-										
Share option granted	-	12,129,239	-	-	-	-	-	12,129,239	-	12,129,239
Share option exercised	17,350,965	(12,129,239)	-	-	-	-	-	5,221,726	-	5,221,726
Expiry of Warrant B	-	-	-	(2,017,679)	2,017,679	-	-	-	-	-
Total transactions with owners	17,350,965	-	-	(2,017,679)	2,017,679	-	-	17,350,965	-	17,350,965
Loss for the financial year	-	-	-	-	-	-	(26,976,646)	(26,976,646)	(38,664)	(27,015,310)
Other comprehensive loss for the financial year										
- Remeasurement gain on net define benefit liability, net of tax	-	-	-	-	-	-	222,046	222,046	-	222,046
- Exchange translation differences, net of tax	-	-	(2,889,967)	-	-	-	-	(2,889,967)	(39,417)	(2,929,384)
Total comprehensive loss for the financial year	-	-	(2,889,967)	-	-	-	(26,754,600)	(29,644,567)	(78,081)	(29,722,648)
Balance as at 30 June 2020	121,398,378	-	(1,799,967)	20,966,877	(20,966,877)	1,464,843	(58,309,011)	62,754,243	(1,734,455)	61,019,788

The accompanying notes form an integral part of the financial statements

	Attributable to owners of the Company									
	Non-distributable						Distributable			
	Share capital (Note 12) RM	Employee share options reserve (Note 13) RM	Foreign currency translation reserve (Note 13) RM	Warrant reserve (Note 13) RM	Discount on shares (Note 13) RM	Other capital reserve (Note 13) RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total RM
Group										
Balance as at 1 July 2020	**121,398,378**	**-**	**(1,799,967)**	**20,966,877**	**(20,966,877)**	**1,464,843**	**(58,309,011)**	**62,754,243**	**(1,734,455)**	**61,019,788**
Transactions with owners:-										
Expiry of Warrant C	**-**	**-**	**-**	**(20,966,877)**	**20,966,877**	**-**	**-**	**-**	**-**	**-**
Issuance of Shares	**105,602,019**	**-**	**-**	**-**	**-**	**-**	**-**	**105,602,019**	**-**	**105,602,019**
Shares option granted	**-**	**8,249,218**	**-**	**-**	**-**	**-**	**-**	**8,249,218**	**-**	**8,249,218**
Shares option exercised	**15,385,614**	**(8,249,218)**	**-**	**-**	**-**	**-**	**-**	**7,136,396**	**-**	**7,136,396**
Issuance of Warrant D	**-**	**-**	**-**	**39,716,171**	**(39,716,171)**	**-**	**-**	**-**	**-**	**-**
Total transactions with owners	**120,987,633**	**-**	**-**	**18,749,294**	**(18,749,294)**	**-**	**-**	**120,987,633**	**-**	**120,987,633**
Loss for the financial period	**-**	**-**	**-**	**-**	**-**	**-**	**(22,158,631)**	**(22,158,631)**	**10,562**	**(22,148,069)**
Other comprehensive loss for the financial period										
- Remeasurement gain on net define benefit liability, net of tax	**-**	**-**	**-**	**-**	**-**	**-**	**382,151**	**382,151**	**-**	**382,151**
- Exchange translation differences, net of tax	**-**	**-**	**(1,917,327)**	**-**	**-**	**-**	**-**	**(1,917,327)**	**38,302**	**(1,879,025)**
Total comprehensive loss for the financial period	**-**	**-**	**(1,917,327)**	**-**	**-**	**-**	**(21,776,480)**	**(23,693,807)**	**48,864**	**(23,644,943)**
Balance as at 30 September 2021	**242,386,011**	**-**	**(3,717,294)**	**39,716,171**	**(39,716,171)**	**1,464,843**	**(80,085,491)**	**160,048,069**	**(1,685,591)**	**158,362,478**

The accompanying notes form an integral part of the financial statements

	← Non-distributable →				Distributable	
	Share capital (Note 12) RM	Employee share options reserve (Note 13) RM	Warrant reserve (Note 13) RM	Discount on shares (Note 13) RM	Accumulated losses RM	Total equity RM
Company						
As at 1 July 2019	104,047,413	-	22,984,556	(22,984,556)	(33,815,022)	70,232,391
Transactions with owners:-						
- Share options granted	-	12,129,129	-	-	-	12,129,129
- Share options exercised	17,350,965	(12,129,129)	-	-	-	5,221,836
- Expiry of warrant B		-	(2,017,679)	2,017,679	-	-
Total transactions with owners	17,350,965	-	(2,017,679)	2,017,679		17,350,965
Total comprehensive loss for the financial year	-	-	-	-	(6,077,310)	(6,077,310)
As at 30 June 2020	121,398,378	-	20,966,877	(20,966,877)	(39,892,332)	81,506,046
Transactions with owners:-						
Expiry of Warrant C Issuance	-	-	**(20,966,877)**	**20,966,877**	-	-
of Shares Shares option	**105,602,019**	-	-	-	-	**105,602,019**
granted Shares option	-	**8,249,218**	-	-	-	**8,249,218**
exercised Issuance of	**15,385,614**	**(8,249,218)**	-	-	-	**7,136,396**
Warrant D Total transactions	-	-	**39,716,171**	**(39,716,171)**	-	-
with owners	**120,987,633**	-	**18,749,294**	**(18,749,294)**	-	**120,987,633**
Total comprehensive loss for the financial period	-	-	-	-	**(7,419,304)**	**(7,419,304)**
As at 30 September 2021	**242,386,011**	-	**39,716,171**	**(39,716,171)**	**(47,311,636)**	**195,074,375**

The accompanying notes form an integral part of the financial statements

Statements Of Cash Flows
For The Financial Period From 1 July 2020 To 30 September 2021

	Note	Group		Company	
		1.7.2020 to 30.9.2021	1.7.2019 to 30.06.2020	**1.7.2020 to 30.9.2021**	1.7.2019 to 30.06.2020
		RM	RM	**RM**	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax		**(22,674,113)**	(27,064,295)	**(7,419,304)**	(6,073,886)
Adjustments for:-					
Depreciation of plant and equipment		**1,686,569**	1,524,430	**49,420**	55,252
Depreciation of right-of-use assets		**595,534**	698,430	**-**	-
Amortisation of intangible assets		**4,489,732**	1,670,162	**-**	-
Impairment losses on intangible assets		**3,497,955**	12,546,789	**-**	-
Gain on disposal of subsidiaries		**-**	(21,462,873)	**-**	(6,080)
Bad debts written off		**-**	714,007	**-**	714,007
Reversal of impairment losses on financial assets		**-**	(127,574)	**-**	-
Reversal of impairment losses on other investments		**296,761**	(311,312)	**-**	(311,312)
Loss/(Gain) of disposal of property, plant and equipment		**498,950**	247,758	**(72,036)**	247,758
Impairment losses on financial assets		**6,466**	31,833,288	**-**	-
Share based payment expenses		**4,587,927**	5,221,726	**-**	5,221,726
Provision of defined benefit obligations		**4,790**	175,512	**-**	-
Interest expenses		**143,832**	83,108	**-**	-
Interest income		**(983,219)**	(825,302)	**-**	(793,295)
Property, plant and equipment written off		**2,522,695**	-	**92,696**	-
Unrealised loss/(gain) on foreign exchange		**923,845**	-	**-**	(367,022)
Operating (loss)/profit before working capital changes		**(4,402,276)**	4,923,854	**(7,349,224)**	(1,312,852)
Changes in working capital:-					
Receivables		**(28,641,254)**	(42,096,675)	**(30,734,911)**	(10,982,708)
Payables		**1,700,112**	37,122,088	**(263,975)**	286,625
Cash used in operations		**(31,343,418)**	(50,733)	**(38,348,110)**	(12,008,935)

The accompanying notes form an integral part of the financial statements

	Note	Group		Company	
		1.7.2020 to 30.9.2021	1.7.2019 to 30.06.2020	**1.7.2020 to 30.9.2021**	1.7.2019 to 30.06.2020
		RM	RM	**RM**	RM
OPERATING ACTIVITIES (CONT'D)					
Cash used in operations		**(31,343,418)**	(50,733)	**(38,348,110)**	(12,008,935)
Defined benefit obligations paid		**-**	(220,888)	**-**	-
Tax paid		**(301,140)**	(618,192)	**-**	(3,665)
Tax refund		**-**	32,167	**-**	3,919
Net cash used in operating activities		**(31,644,558)**	(857,646)	**(38,348,110)**	(12,008,681)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of intangible assets		**(2,344,934)**	(10,135,562)	**-**	-
Acquisition of plant and equipment		**(589,327)**	(133,823)	**-**	(68,294)
Acquisition of right-of-use		**(399,986)**	-	**-**	-
Net (outflow)/inflow on disposal of subsidiaries		**-**	(6,707)	**-**	6,142
Net inflow on transaction of other investments		**-**	4,317	**296,761**	4,317
Proceeds from disposal of plant and equipment		**184,180**	-	**129,778**	-
Increase in investment		**-**	-	**(578,088)**	-
Interest received		**983,219**	825,302	**-**	793,295
Net cash from/(used in) investing activities		**(2,166,848)**	(9,446,473)	**(151,549)**	735,460
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		**(143,832)**	(83,108)	**-**	-
Proceeds from issuance of share capital		**116,518,765**	12,129,239	**120,987,633**	12,129,239
Repayment of lease liabilities		**(683,748)**	(660,229)	**-**	-
Net cash from financing activities		**115,691,185**	11,385,902	**120,987,633**	12,129,239
Net increase in cash and cash equivalents		**81,879,779**	1,081,783	**82,487,974**	856,018
Effects of changes in foreign exchange rate		**226,393**	651,646	**-**	-
Cash and cash equivalents at the beginning of the financial period		**19,188,871**	17,455,442	**15,757,844**	14,901,826
Cash and cash equivalents at the end of the financial period/year	11	**101,295,043**	19,188,871	**98,245,818**	15,757,844

The accompanying notes form an integral part of the financial statements

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur. The principal place of business of the Company is located at Lot 11.3, 11th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding, research and development of existing and new technologies in the field of information technology and telecommunications and related activities. The principal activities of the subsidiaries are disclosed in Note 7 to the Financial Statements. There have been no significant changes in the nature of these activities of the Company and of its subsidiaries during the financial period.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors on 28 January 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the International Accounting Standards Board ("MASB") and have been adopted by the Group and the Company.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 101, Presentation of Financial Statements – Definition of Material
- Amendments to MFRS 7, MFRS 9 and MFRS 139, Interest Rate Benchmark Reform
- Amendments to MFRS 3, Business Combination – Definition of Business
- Amendments to MFRS 4, Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation of financial statements (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendments to MFRS 16 Leases – Covid-19 Related Rent Concessions

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the International Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 – Interest Rate Benchmark Reform – Phase 2

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Annual Improvement to MFRS Standards 2018-2020
- Amendments to MFRS 3, Reference to Conceptual Framework
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Onerous Contracts – Cost of Fulfilling a Contract

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts
- Amendments to MFRS 101, Classification of Liabilities as Current or Non-Current
- Amendments to MFRS 101, Disclosure of Accounting Policies
- Amendments to MFRS 108, Definition of Accounting Estimates
- Amendments to MFRS 112, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

MFRSs, Interpretations and amendments effective date of these Standards have been deferred, and yet to be announced

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation of financial statements (cont'd)

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material impacts to the financial statements of the Group and the Company.

(b) Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

i) Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.;
ii) Level 2 Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable; and

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of accounting (cont'd)

iii) Level 3 Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting year.

The Group and the Company have established control framework in respect to the measurement of fair values of financial instruments. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of Directors. The Board of Directors regularly reviews significant unobservable inputs and valuation adjustments.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

(c) Functional and presentation currency

The functional currency of the Company and its subsidiaries' financial statements are presented in Ringgit Malaysia ("RM").

(d) Basis of consolidation

i) Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any noncontrolling interest in the acquiree. For each business combination, the Group elects whether it measures the noncontrolling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

i) Business combination (cont'd)

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or if significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interests in the acquiree are re-measured to fair value at the acquisition date with any corresponding gain or loss recognised in profit or loss.

Any excess of the cost of business combination, as the case may be, over the net amount of the fair value of identifiable assets acquired and liabilities assumed is recognised as goodwill. For business combinations, provisions are made for the acquiree's contingent liabilities existing at the date of acquisition as the Group deems that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

Any excess in the Group's interest in the net fair value of the identifiable assets acquired and liabilities assumed over the cost of business combination is recognised immediately in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

i) Business combination (cont'd)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Business combinations involving entities under common control are accounted for by applying the pooling on interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the entity acquired is reflected within equity as merger reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

ii) Subsidiaries

Subsidiaries are entities controlled by the Group and the Company. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities. In circumstances when the voting rights are nit more than half or when voting rights are not the dominant determinant of control, the Group uses judgements to assess whether it has de factor control, control by other arrangements, or by holding substantive potential voting rights.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary.

Investment in subsidiaries is stated at cost in the Company's statement of financial position. Where an indication of impairment exists, the carrying amount of the subsidiary is assessed and written down immediately to its recoverable amount.

iii) Changes in ownership interest in subsidiaries without change of control

Transactions with non-controlling interests that do no result in loss of control are accounted for as equity transactions- that is, as transactions with the owners in their capacity as owner. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the statements of profit or loss and other comprehensive income.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

iv) Non-controlling interest

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company. It is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separate from equity attributable to owners of the Company.

Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even though it may result in deficit to non-controlling interests.

v) Acquisition of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between share of net assets before and after the change by the Group, and any consideration received or paid, is adjusted in the reserves.

vi) Transactions eliminated on consolidation

Intra-group balances, and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(e) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded in the entity's functional currency using the exchange rates prevailing at the date of transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at exchange rate at the reporting date. However, non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value in a foreign currency are retranslated to the functional currency at exchange rate when the fair value was determined.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Foreign currency transactions (cont'd)

Assets and liabilities of foreign subsidiaries, including goodwill and fair value adjustments arising in an acquisition, are translated at year-end exchange rates. The income and expenses of foreign subsidiaries are translated to RM at average rates during the financial year.

Foreign currency differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign subsidiary is disposed in its entirely or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposed part of its interest but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

If the settlement of a monetary item receivable from or payable to a foreign subsidiary is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such item will form part of the net investment in the foreign subsidiary. Differences of such nature are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve.

(f) Plant and equipment

Plant and equipment are initially stated at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

All plant and equipment are subsequently stated at cost less accumulated depreciation and less any impairment losses. When significant parts of plant and equipment are required to be replaced in intervals, the Group and the Company recognise such costs as individual assets with specific useful lives and depreciation respectively. All other repair and maintenance costs are recognised in profit or loss as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Plant and equipment (cont'd)

Depreciation is recognised on the straight line method in order to write off the cost of each asset over its estimated useful life. Plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Computers	33%
Furniture and fittings	20%
Office equipment	33%
Renovations	20%
Motor vehicles	20%

Capital work-in-progress consists plant and equipment under construction/installation. The amount is stated at cost and assets under installation are not depreciated until it is completed and ready for their intended use.

The residual value, useful life and depreciation method are reviewed at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the financial year the asset is derecognised.

(g) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Leases (cont'd)

i. **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

Office buildings	3 to 5 years
Office equipment	3 years
Motor vehicles	4 years

The right-of-use assets are also subject to impairment as detailed in Note 3 to the Financial Statements.

ii. **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments included fixed payments (including in-substance fixed payments) less any incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on a index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Leases (cont'd)

ii. **Lease liabilities (cont'd)**

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. **Short-term lease and lease of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term lease. It also applies the lease of low-value assets recognition exemption to lease of that are considered to be low-value. Lease payments on short-term leases and lease of low-value assets are recognised as expense on a straight-line basis over the lease term.

(h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Intangible assets (cont'd)

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

i. Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates and joint venture, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates and joint ventures.

ii. Intellectual property

Intellectual property comprises telecommunication software and television programme rights acquired and is considered to have a finite useful life due to the technological risks and advancement inherent in the industry. Intellectual property of the Group is amortised on a straight-line basis over its estimated useful lives between 2 and 10 years.

iii. Software licenses

The Group has developed the following criteria to identify computer and mobile software license to be classified as plant and equipment or intangible asset:-

- Software license that is embedded in computer-controlled equipment, including operating system that cannot operate without that specific software is an integral part of the related hardware and is treated as plant and equipment;
- Application software that is being used on a computer that is generally easily replaced and is not an integral part of the related hardware is classified as intangible asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Intangible assets (cont'd)

iii. Software licenses (cont'd)

Due to the risk of technological changes, the useful lives of all software licenses are generally assessed to be finite. Software licenses that are classified as intangible assets are amortised on a straight-line basis over its estimated economic useful lives, ranging between 3 and 5 years.

Acquired software content license have finite useful lives and are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method over its estimated useful lives of 8 years.

iv. Research and development costs

All research costs are recognised in the profit or loss as incurred. Development expenditures incurred on projects to develop new products are capitalised and recognised as intangible assets when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project, the ability to measure reliably the expenditure during the development and the ability to use the intangible asset generated. Development expenditures which do not meet these criteria are expensed when incurred.

Development expenditure are considered to have finite useful lives and are stated at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefits, computed on a straight-line basis over the useful economic lives of the underlying products ranging between 5 and 10 years.

During the period of development, the asset is tested for impairment annually.

(i) Impairment of non-financial assets

The Group and the Company assess at the end of each reporting date whether there is an indication that an asset may be impaired.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of non-financial assets (cont'd)

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior financial years. A reversal of impairment loss for an asset is recognised in profit or loss.

(j) Financial instruments

A financial instruments is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity.

i. Financial assets

(a) Initial recognition and categorisation

At initial recognition, financial assets are either classified and measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics, and the Group's and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

At the reporting date, the Group and the Company have not designated any financial assets at FVTOCI. The Group and the Company carry only financial assets measured at amortised cost and at FVTPL on their statements of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial instruments (cont'd)

i. Financial assets (cont'd)

Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the conditions are met:-

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flow; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

FVTPL

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not SPPI are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

(b) Subsequent measurement

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using effective interest method and are subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade and most of the other receivables and cash and cash equivalents.

FVTPL

Financial asset that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Net changes in fair value is recognised at in profit or loss in the period which it arises.

The Group's financial assets at FVTPL include other investments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial instruments (cont'd)

ii. Impairment of financial assets

The Group and the Company assess on a forward-looking basis the expected credit loss ("ECL") for all debt instrument not held at FVTPL. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The maximum period considered when estimating ECL are the maximum contractual period (including extension options) over which the Group and the Company are exposed to credit risk.

ECL is measured on either of the following bases:-

- 12-months ECL: these are losses that are expected to result from possible default events within 12 months after the reporting date; and

- Lifetime ECL: these are losses that are expected to result from all possible default events over the expected lives of the terms, irrespective of the timing of the default to which ECL model applies.

For all other financial instruments, the Group and the Company recognise a loss allowance equal to 12-months ECL unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECL.

ECL are re-measured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group and the Company recognise an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have any assets or sources of income that could generate sufficient cash flows to repay the amount subject to write-off.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial instruments (cont'd)

iii. Financial liabilities

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless the Group and the Company designated a financial liability at FVTPL.

At the reporting date, the Group and the Company have not designated any financial liabilities at FVTPL. The Group and the Company carry only other financial liabilities measured at amortised cost on their statements of financial position.

Other financial liabilities measured at amortised cost

The Group's and the Company's other financial liabilities include trade and most of the other payables.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

iv. Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset have expired or control of the asset is not retained or substantially all of the risk and rewards of ownership of the financial asset are transferred to another party. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise their retained interest in the asset and associated liability for amounts they may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of transferred assets, the Group and the Company continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

The Group and the Company derecognise a financial liability when its contractual obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial instruments (cont'd)

v. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, short-term deposits with licensed banks and bank balances, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) Equity and reserves

An equity instruments is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transactions cost. Ordinary shares are classified as equity.

Accumulated losses include all current and prior financial year losses.

All transactions with owners of the Company are recorded separately within equity.

(m) Warrants

The Warrants issued by the Company is recognised as equity instrument in the statements of financial position.

The issuance of ordinary shares upon exercise of warrants is treated as new subscription of ordinary shares in the Company. The proceeds are credited to share capital if any. The warrants reserve in relation to the unexercised warrants will be reversed upon expiry of the warrants.

(n) Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Provisions (cont'd)

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(o) Revenue recognition

a. Revenue from contract with customers

The Group recognises revenue from contracts with customers for goods or services based on the five-step model as set out in this standards:-

i. Identify contracts with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

ii. Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer either a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

iii. Determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

iv. Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group allocates transaction price to each performance obligation in an amount that depicts the amount of consideration to which the expects to be entitled in exchange for satisfying each performance obligation.

v. Recognise revenue when (or as) the Group satisfies a performance obligation. An asset is transferred when (or as) the customer obtains control of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Revenue recognition (cont'd)

a. Revenue from contract with customers (cont'd)

The Group satisfies a performance obligation and recognises revenue over time if the Group's performance:-

i. Does not create an asset with an alternative use to the Group and have an enforceable right to payment for performance completed to-date; or

ii. Creates or enhances an asset that the customer controls as the asset is created or enhanced; or

iii. Provides benefits that the customer simultaneously receives and consumes as the Group performs.

For performance obligations where any one of the above conditions not met, revenue is recognised at a point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract based on asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at fair value of consideration received or receivable. The followings describe the performance obligation in contracts with customers:-

Rendering of services

Revenue from providing services is recognised at point of time when the services are rendered at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The revenue is recognised net of any related rebates, discounts and tax. The Group shall disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors as disclosed in Note 18 to the Financial Statements.

Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Employee benefits expenses

i. Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial period in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave, maternity and paternity leave are recognised when the absences occur.

ii. Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current financial year.

Such contributions are recognised as expenses in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the national pension scheme, the Employees Provident Fund ("EPF"). The Group's foreign subsidiaries also make contributions to their country's statutory pension schemes.

iii. Defined benefit plans

The Group have defined pension plans arising from two of its subsidiaries, mTouche (Thailand) Co. Ltd. and PT mTouche respectively. These plans are unfunded.

The costs of providing benefits under the defined benefit plans are calculated using the projected unit credit actuarial valuation method. That benefit is discounted in order to determine its present value.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the statements of financial position with a corresponding entry to retained earnings through other comprehensive income in the period in which they occur. These remeasurements are not reclassified to profit or loss in subsequent periods.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Employee benefits expenses (cont'd)

iii. Defined benefit plans (cont'd)

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date of the Group recognises restructuring-related costs or termination benefits.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Group recognises the following changes in the net defined benefit obligation under 'administrative expense' in the consolidated profit or loss:-

- service costs comprising current costs, past-service costs, gains and losses on curtailments and non-routine settlements.

- net interest expense.

iv. Equity-settled share-based payment transactions

The Group operates an equity-settled, share based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognsied as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

The details regarding the determination of the fair value of equity settled share-based transactions are set out in Note 13 to the Financial Statements.

When the options are exercised, the Group issues new ordinary shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to accumulated losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Current tax is recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

(r) Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted as at the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:-

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(u) Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements ("the reporting entity"). A related party transaction is a transfer of resources, services or obligations between the reporting entity and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:-

(i) has control or joint control over the Group;
(ii) has significant influence over the Group; or
(iii) is a member of the key management personnel of the ultimate holding company of the Group, or the Group.

(b) An entity is related to the Group if any of the following conditions applies:-

(i) the entity and the Group are members of the same group.
(ii) one entity is an associate or joint venture of the other entity.
(iii) both entities are joint ventures of the same third party.
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) the entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
(vi) the entity is controlled or jointly-controlled by a person identified in (a) above.
(vii) a person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the ultimate holding company or the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors of the Company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3. CRITICAL JUDGEMENT AND ESTIMATION UNCERTAINTY

Estimate, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based in experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by the management, and will seldom equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Useful lives of depreciable assets

Plant and equipment are depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of the plant and equipment to be 3 to 5 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the plant and equipment. Therefore, future depreciation charges could be revised.

The carrying amount of the Company's depreciable assets at the end of the reporting date are disclosed in Notes 4 and 5 to the Financial Statements.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which all the deductible temporary difference can be utilised.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised , based upon the likely timing and level of future taxable profits together with future tax planning strategies.

3. CRITICAL JUDGEMENT AND ESTIMATION UNCERTAINTY (CONT'D)

Impairment of non-financial assets

At reporting date, the management determines whether the carrying values of its non-financial assets are impaired. This involves measuring the recoverable amounts using the 5 years-discounted cash flow ("DCF") analysis taking into consideration the past trends and the more recent performances achieved by the cash generating unit ("CGU").

The discount rate applied to the DCF analysis is 6% (2020: 6%) which is in line with the average pre-tax weighted average cost of capital ("WACC") of the Group. The cash flows for the following financial year reflect the performance of the respective CGU adjusted for future revenues from agreements signed subsequent to the financial period end.

Following the above assessment, the Group recognised impairment losses on intangible assets as further disclosed in Notes 6 to the Financial Statements. Based on management's review, no further adjustment for impairment is required for the non-financial assets of the Group and of the Company during the current financial period.

Provision for expected credit losses ("ECL") of receivables

Credit losses are the differences between all contractual cash flows of the Group and of the Company that are due and the cash flows that it actually expects to receive. An expected credit loss is the probability-weighted estimate of credit losses which requires the Group's and the Company's judgement. The expected credit losses are discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Group and the Company use a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns such as geography, customer type and rating.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions.

The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default rate in the future.

3. CRITICAL JUDGEMENT AND ESTIMATION UNCERTAINTY (CONT'D)

Provision for expected credit losses ("ECL") of receivables (cont'd)

The carrying amount of the Group's and of the Company's receivables at the end of the reporting date are disclosed in Note 9 to the Financial Statements.

Provision for restoration cost

As part of the identification and measurement of right-of-use asset, the Group has recognised provision for restoration cost. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected cost to remove the facilities and restore the premises to their original state and condition.

Defined benefit plans

The cost of the defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions about the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, the Group's defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rates, management considers the interest rates of high quality corporate bonds in currencies consistent with the currencies of the post-employment benefit of the defined benefit obligation and extrapolated as needed along the yield curve to correspond with the expected terms of the defined benefit obligations. In countries where there are no deep market in such bonds, the market yields (at the end of the reporting year) on government bonds were used.

The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

The net employee liability as at the end of the reporting year and the details about the assumptions used are disclosed in Note 16 to the Financial Statements.

Development expenditure

Development expenditure are capitalised in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economical feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At reporting date, the carrying amount of capitalised development expenditure of the Group disclosed in Note 6 to the Financial Statements.

3. CRITICAL JUDGEMENT AND ESTIMATION UNCERTAINTY (CONT'D)

Capitalisation and amortisation of intangible assets

Intangible assets are capitalised in accordance with the accounting policy in Note 2 to the Financial Statements. Initial capitalisation of costs is based on management's judgement that it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of useful live. At the reporting date, the carrying amounts of intangible assets of the Group and the Company are disclosed in Note 6 to the Financial Statements.

Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of respective components. The Group and the Company review the amortisation periods and useful lives at least once a year for intangible assets with finite lives. However, if there are indications that the intangible assets are unable to generate future cash flows, immediate impairment loss would be recognised in profit or loss.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determines the interest rate implicit in the lease, therefore, the Group use an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs such as market interest rates when available and is required to make certain entity specific estimates.

Determining the lease term of contract with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

3. CRITICAL JUDGEMENT AND ESTIMATION UNCERTAINTY (CONT'D)

Determining the lease term of contract with renewal options (cont'd)

The Group included the renewal period as part of the lease term for leases of building with shorter non-cancellable period (i.e., 3 to 5 years). The Group typically exercises the option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available.

Employee share options

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation the most appropriate inputs to the valuation conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Details of assumptions made in respect of the share-based payment scheme are disclosed in Note 24 to the Financial Statements.

Control over PT mTouche

As disclosed in Note 7(b) to the Financial Statements, on 13 January 2014, the Group disposed 51% of its shares in PT mTouche ("PTMT"). As a result, the Group owns 49% of the voting rights of PTMT since the said disposal date. Pursuant to a shareholders' agreement and its control over the management team responsible for directing the relevant activities of PTMT, the Board of Directors assessed that the Group has control over PTMT.

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4. PLANT AND EQUIPMENT

	Computers	Furniture and fittings	Office equipment	Renovations	Motor vehicles	Capital work-in-progress	Total
	RM	RM	RM	RM	RM	RM	RM
Group							
Cost							
At 1 July 2019	5,802,169	324,184	594,309	400,706	4,483	500,000	7,625,851
Additions	131,063	616	2,144	-	-	-	133,823
Translation differences	52,743	9,014	6,616	8,392	107	-	76,872
At 30 June 2020/1 July 2020	**5,985,975**	**333,814**	**603,069**	**409,098**	**4,590**	**500,000**	**7,836,546**
Additions	**34,836**	**3,015**	**22,871**	**528,605**	**-**	**-**	**589,327**
Disposals	**(163,687)**	**(101,633)**	**(42,202)**	**(198,798)**	**-**	**-**	**(506,320)**
Write-off	**(2,653,447)**	**(520)**	**(20,222)**	**(8,956)**	**-**	**-**	**(2,683,145)**
Translation differences	**(209,080)**	**(6,402)**	**(16,228)**	**(13,495)**	**(107)**	**-**	**(245,312)**
At 30 September 2021	**2,994,597**	**228,274**	**547,288**	**716,454**	**4,483**	**500,000**	**4,991,096**
Accumulated depreciation							
At 1 July 2019	2,468,761	313,984	456,248	318,644	3,664	-	3,561,301
Charge for the financial year	1,474,074	3,850	20,212	26,294	-	-	1,524,430
Translation differences	45,758	8,684	5,677	7,792	188	-	68,099
At 30 June 2020/1 July 2020	**3,988,593**	**326,518**	**482,137**	**352,730**	**3,852**	**-**	**5,153,830**
Charge for the financial period	**1,579,383**	**1,146**	**23,846**	**82,194**	**-**	**-**	**1,686,569**
Disposals	**(163,592)**	**(94,550)**	**(42,011)**	**(198,797)**	**-**	**-**	**(498,950)**
Write-off	**(2,493,011)**	**(518)**	**(20,211)**	**(8,955)**	**-**	**-**	**(2,522,695)**
Translation differences	**(118,895)**	**(5,830)**	**(12,269)**	**(10,439)**	**(107)**	**-**	**(149,448)**
At 30 September 2021	**2,792,478**	**226,766**	**431,492**	**216,733**	**3,745**	**-**	**3,671,214**

4. PLANT AND EQUIPMENT (CONT'D)

	Computers	Furniture and fittings	Office equipment	Renovations	Motor vehicles	Capital work-in-progress	Total
	RM	RM	RM	RM	RM	RM	RM
Net carrying amount							
At 30 September 2021	**202,119**	**1,508**	**115,796**	**499,721**	**738**	**500,000**	**1,319,882**
At 30 June 2020	1,997,382	7,296	120,932	56,368	738	500,000	2,682,716

4. PLANT AND EQUIPMENT (CONT'D)

	Computers	Furniture and fittings	Office equipment	Renovations	Capital work-in-progress	Total
	RM	RM	RM	RM	RM	RM
Company						
Cost						
At 1 July 2019	353,906	520	20,222	48,592	-	423,240
Addition	68,294	-	-	-	-	68,294
At 30 June 2020/1 July 2020	**422,200**	**520**	**20,222**	**48,592**	**-**	**491,534**
Disposals	**(129,203)**				**-**	**(129,203)**
Write-off	**(292,997)**	**(520)**	**(20,222)**	**(8,956)**	**-**	**(322,695)**
At 30 September 2021	**-**	**-**	**-**	**39,636**	**-**	**39,636**
Accumulated depreciation						
At 1 July 2019	185,239	518	20,211	26,828	-	232,796
Charge for the financial year	47,025	-	-	8,227	-	55,252
At 30 June 2020/1 July 2020	**232,264**	**518**	**20,211**	**35,055**	**-**	**288,048**
Charge for the financial period	**39,511**	**-**	**-**	**9,909**	**-**	**49,420**
Disposals	**(129,203)**	**-**	**-**	**-**	**-**	**(129,203)**
Write-off	**(142,572)**	**(518)**	**(20,211)**	**(8,955)**		**(172,256)**
At 30 September 2021	**-**	**-**	**-**	**36,009**	**-**	**36,009**
Net carrying amount						
At 30 September 2021	**-**	**-**	**-**	**3,627**	**-**	**3,627**
At 30 June 2020	189,936	2	11	13,537	-	203,486

5. RIGHT-OF-USE ASSETS

The Group has lease contracts for office building, office equipment and motor vehicles for its operations.

The Group also has certain leases of office equipment with lease terms less than or equal to 12 months. The Group applies the 'short-term lease' recognition exemptions for these leases.

Set out below are carrying amount of right-of-use assets recognised and the movements during the financial year:-

	Office buildings RM	Office equipment RM	Motor vehicles RM	Total RM
Group				
Cost				
Effect on adoption of MFRS 16 at 1.7.2019	999,513	1,025,447	563,138	2,588,098
Addition	113,942	-	-	113,942
At 30.6.2020	**1,113,455**	**1,025,447**	**563,138**	**2,702,040**
Addition	**-**	**-**	**399,986**	**399,986**
At 30.9.2021	**1,113,455**	**1,025,447**	**963,124**	**3,102,026**
Accumulated depreciation				
Effect on adoption of MFRS 16 at 1.7.2019	233,338	569,693	159,556	962,587
Charge for the financial year	243,988	341,815	112,627	698,430
At 30.6.2020	**477,326**	**911,508**	**272,183**	**1,661,017**
Charge for the financial period	**280,813**	**113,939**	**200,782**	**595,534**
At 30.9.2021	**758,139**	**1,025,447**	**472,965**	**2,256,551**
Net carrying amount				
At 30.9.2021	**355,316**	**-**	**490,159**	**845,475**
At 30.6.2020	636,129	113,939	290,955	1,041,023

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follow:

Office buildings	3 to 5 years
Office equipment	3 years
Motor vehicles	4 years

5. RIGHT-OF-USE ASSETS (CONT'D)

The following are the amounts relating to right-of-use assets recognised in profit or loss:-

	2021 RM	2020 RM
Group		
Depreciation expense of right-of-use assets	**595,534**	698,430
Expenses relating to short-term leases	**189,783**	275,799
Expenses relating to low value assets	**5,400**	4,320

6. INTANGIBLE ASSETS

	Goodwill RM	Intellectual property RM	Software license RM	Development costs RM	Total RM
Group					
Cost					
At 1 July 2019	2,805,415	4,438,538	4,241,442	4,821,755	16,307,150
Additions	-	162,907	-	9,972,655	10,135,562
Reclassifications	-	-	38,440,092	-	38,440,092
Exchange differences	-	130,453	-	96,938	227,391
At 30 June 2020	2,805,415	4,731,898	42,681,534	14,891,348	65,110,195
Additions	**-**	**2,272,589**	**-**	**72,345**	**2,344,934**
Disposals	**-**	**-**	**-**	**(2,073,377)**	**(2,073,377)**
Exchange differences	**-**	**(395,100)**	**(1,493,140)**	**(208,021)**	**(2,096,261)**
At 30 September 2021	**2,805,415**	**6,609,387**	**41,188,394**	**12,682,295**	**63,285,491**
Accumulated amortisation and impairment losses					
At 1 July 2019	2,805,415	2,092,599	4,241,442	1,954,234	11,093,690
Amortisation (Note 19)	-	296,409	1,373,753	-	1,670,162
Impairment (Note 19)	-	68,289	10,978,500	1,500,000	12,546,789
Exchange difference	-	66,785	249,103	12,659	328,547
At 30 June 2020	2,805,415	2,524,082	16,842,798	3,466,893	25,639,188
Amortisation (Note 19)	**-**	**652,704**	**3,837,028**	**-**	**4,489,732**
Impairment (Note 19)	**-**	**-**	**2,497,955**	**1,000,000**	**3,497,955**
Exchange difference	**-**	**(142,889)**	**1,262,739**	**-**	**1,119,850**
At 30 September 2021	**2,805,415**	**3,033,897**	**24,440,520**	**4,466,893**	**34,746,725**

6. INTANGIBLE ASSETS (CONT'D)

	Goodwill RM	Intellectual property RM	Software license RM	Development costs RM	Total RM
Group					
Net carrying amount					
At 30 September 2021	**-**	**3,575,490**	**16,747,874**	**8,215,402**	**28,538,766**
At 30 June 2020	-	2,207,816	25,838,736	11,424,455	39,471,007

	Software license RM	Development costs RM	Total RM
Company			
Cost			
At 1 July 2019/30 June 2020/30 September 2021	4,241,442	1,220,650	5,462,092
Accumulated amortisation and impairment losses			
At 1 July 2019/30 June 2020/30 September 2021	4,241,442	1,220,650	5,462,092
Net carrying amount			
At 30 September 2021	-	-	-
At 30 June 2020	-	-	-

Intellectual property, software license and development costs

Intellectual property relates to telecommunication software and television programme rights acquired.

Software license relates to:-

- software license that embedded in computer-controlled equipment, including operating system that cannot operate without that specific software is an integral part of the related hardware;

- application software that is being used on a computer that is generally easily replaced and is not an integral part of the related hardware.

Development cost relates to :

- development of an online friendship network

- online education modules content related to foreign exchange

6. INTANGIBLE ASSETS (CONT'D)

Impairment testing

The recoverable amounts of the CGU has been determined based on value in use calculations using cash flow projections from financial budget approved by management covering a five-years period.

The pre-tax discount rates applied to the cash flow projections is 6% (2020: 6%).

The calculations of value in use for the CGU are most sensitive to the following assumptions:-

(i) Pre-tax discount rates

Discount rates reflect the current market assessment of the risks specific to each CGU. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals.

(ii) Growth rates and gross margins

Growth rates and gross margins are based on individual CGU's past trends, recent performance and market or industry developments.

Impairment loss recognised

The Group recognised impairment losses on intangible assets amounted to RM3,497,955.

7. INVESTMENT IN SUBSIDIARIES

	Company	
	2021	2020
	RM	RM
Unquoted shares, at costs	**7,461,765**	6,883,677
Impairment losses	**(6,883,669)**	(6,883,669)
	578,096	8

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of the Group's subsidiaries are as follows:-

Name	Country of incorporation	Percentage of ownership interest held by the Group		Percentage of ownership interest held by non-controlling interests	
		2021	2020	2021	2020
Held by the Company:-					
mTouche International Sdn. Bhd. *	Malaysia	**100**	100	**-**	-
PT mTouche **	Indonesia	**49**	49	**51**	51
mTouche (Thailand) Co. Ltd. **	Thailand	**99.94**	99.94	**0.06**	0.06
mTouche (HK) Ltd. **	Hong Kong	**100**	100	**-**	-
mTouche (Vietnam) Co. Ltd. **	Vietnam	**100**	100	**-**	-
mTouche Technology Philippines Inc. **	Philippines	**99.99**	99.99	**0.01**	0.01
mTouche Cambodia Co. Ltd. ***	Cambodia	**100**	100	**-**	-
Held through mTouche (Vietnam) Co. Ltd.:-					
Mobile Asia Vietnam Co. Ltd. **	Vietnam	**100**	100	**-**	-
Held through mTouche (HK) Ltd:-					
mTouche E Wallet (HK) Limited **	Hong Kong	**100**	100	**-**	-

* Audited by AFRIZAN TARMILI KHAIRUL AZHAR
** Audited by Other firms
*** This subsidiary is dormant and do not have significant activities.

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of the Group's subsidiaries are as follows (cont'd):-

The principal activities of the subsidiaries are as stated below.

Name(s)	Principal activities
mTouche International Sdn. Bhd.	Provision of mobile applications and related technology services and the distribution and sale of Covid-19 rapid antigen test kits as well as other businesses which are related to the healthcare industry
mTouche (Thailand) Co. Ltd.	Provision of mobile applications and related technology services.
PT mTouche	Provider of mobile messaging technology.
mTouche (HK) Ltd.	Provision of mobile messaging content services.
mTouche (Vietnam) Co. Ltd. and Mobile Asia (Vietnam) Co. Ltd.	Provide mobile messaging technologies, billing platforms and interactive media solutions based on wireless and internet technologies.
mTouche Technology Philippines Inc.	Engage in the business of handling and managing of computer data, data processing, data storage, systems design and analysis, software package development, programming, data communication, mobile messaging services, microfilming, and related services like contract programming, computer education, consultancy, hardware maintenance.
mTouche Cambodia Co. Ltd.	Dormant.

(b) Proportion of equity interest held by non-controlling interests:-

Group

Name	Country of incorporation	**2021**	2020
PT mTouche ("PTMT")	Indonesia	**51%**	51%
		2021	2020
		RM	RM
PTMT			
Accumulated balances of material non-controlling		**(1,687,940)**	(1,738,679)
Loss allocated to material non-controlling interest		**12,041**	38,255

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Proportion of equity interest held by non-controlling interests (cont'd):-

Even though the Group has less than 50% of voting rights, the Board of Directors consider that the Group has significant control over PTMT's Board of Directors and commissioner, both of which are representatives of the Group.

The summarised financial information of PTMT is provided below. This information is based on amounts before inter-company eliminations.

	2021	2020
	RM	RM
Summarised statement of profit or loss and other comprehensive income:-		
Revenue	**239,998**	649,485
Cost of sales	**(150,095)**	(374,077)
Other income	**246,391**	243,003
Administrative expenses	**(257,364)**	(426,262)
Other expenses	**(55,321)**	(101,104)
Profit/(loss) before tax	**23,609**	(8,955)
Tax expense	**-**	(66,054)
Profit/(loss) after tax	**23,609**	(75,009)
Other comprehensive income/(loss):-		
Items that will be subsequently reclassified to profit or loss		
Exchange differences on translating foreign operation, net of tax	**75,880**	(77,574)
Items that will not be subsequently reclassified to profit or loss		
Remeasurement gain on net defined benefit liability	**114,560**	80,417
Other comprehensive income for the financial year, net of tax	**190,440**	2,843
Total comprehensive income/(loss) for the financial year, net of tax	**214,049**	(72,166)
Attributable to non-controlling interests	**12,041**	38,255

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Proportion of equity interest held by non-controlling interests (cont'd):-

The summarised financial information of PTMT is provided below. This information is based on amounts before inter-company eliminations. (cont'd)

	2021	2020
	RM	RM
Summarised statement of financial position:-		
Plant and equipment	**14,940**	23,481
Cash and bank balances	**130,877**	25,205
Trade and other receivables	**197,398**	259,034
Trade and payables	**(3,330,945)**	(3,458,454)
Tax recoverable	**5,991**	728
Defined benefit obligations	**6,089**	(171,838)
Total equity	**(2,975,650)**	(3,321,844)
Attributable to:-		
Equity holders of Company	**(1,522,820)**	(1,627,704)
Non-controlling interest	**(1,584,976)**	(1,694,140)
	(3,107,796)	(3,321,844)
Summarised cash flows information:-		
Operating activities	**(521,173)**	(68,676)
Investing activities	**(6,726)**	(1,285)
Financing activities	**632,708**	57,320
Net increase/(decrease) in cash and cash equivalents	**104,809**	(12,641)

8. DEFERRED TAX ASSETS

Deferred income tax relates to the following:-

	At beginning of financial period/year	Recognised in profit or loss	Recognised in other comprehensive income	Exchange differences	At end of financial period/year
	RM	RM	RM	RM	RM
Group					
2021					
Deferred tax assets					
Defined benefit obligations	**188,811**	**(40,323)**	**-**	**(68,442)**	**80,046**
Impairment of trade receivables	**1,699,336**	**-**	**(1,612)**	**(138,169)**	**1,559,555**
Provision of impairment of intangible assets	**-**	**-**	**12,366**	**-**	**12,366**
Unutilised tax losses	**140,741**	**525,894**	**-**	**(13,316)**	**653,319**
Total	**2,028,888**	**485,571**	**10,754**	**(219,927)**	**2,305,286**
2020					
Deferred tax assets					
Defined benefit obligations	200,244	(33,204)	(35,407)	57,178	188,811
Impairment of trade receivables	1,699,336	-	-	-	1,699,336
Unutilised tax losses	-	140,741	-	-	140,741
Total	1,899,580	107,537	(35,407)	57,178	2,028,888

Deferred tax assets have not been recognised in respect of the following items:-

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Unutilised tax losses	**13,026,118**	6,959,945	**9,098,151**	3,562,422
Unabsorbed capital allowances	**1,797,308**	956,889	**81,830**	142,421
Plant and equipment	**245,368**	(712,148)	**-**	(61,027)
Right-of-use assets	**399,986**	61,248	**-**	-
Impairment of trade receivables	**-**	1,159	**-**	-
	15,468,780	7,267,093	**9,179,981**	3,643,816

At the reporting date, the unutilised tax losses and unabsorbed capital allowance that are available for offset against future taxable profits, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

8. DEFERRED TAX ASSETS (CONT'D)

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 in Malaysia and guidelines issued by the tax authority. The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Non-current				
Other receivables				
Sundry receivables	**16,700,000**	16,700,000	**16,700,000**	16,700,000
Less: Allowance for impairment losses				
- Sundry receivables	**(16,700,000)**	(16,700,000)	**(16,700,000)**	(16,700,000)
	-	-	**-**	-
Current				
Trade receivables				
Third parties	**31,101,021**	20,415,646	**934,901**	934,901
Amounts due from subsidiaries	**-**	-	**2,007,615**	2,965,022
	31,101,021	20,415,646	**2,942,516**	3,899,923
Less: Allowance for impairment losses				
- Third parties	**(16,956,461)**	(18,896,781)	**(934,901)**	(934,901)
Amounts due from subsidiaries	**-**	-	**(2,007,615)**	(2,965,022)
	(16,956,461)	(18,896,781)	**(2,942,516)**	(3,899,923)
	14,144,560	1,518,865	**-**	-

9. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Other receivables				
Amounts due from subsidiaries	**-**	-	**95,173,779**	67,296,146
Deposits	**13,582,330**	5,012,202	**3,269**	66,267
Good and Services Tax /Value added tax	**66,589**	3,653	**-**	-
Sundry receivables	**44,292,774**	45,619,148	**42,278,657**	41,640,239
	57,941,693	50,635,003	**137,455,705**	109,002,652
Less: Allowance for impairment losses				
- Sundry receivables	**(41,383,655)**	(43,070,916)	**(41,383,655)**	(43,665,513)
- Deposits	**-**	(4,700,000)	**-**	-
	16,558,038	2,864,087	**96,072,050**	65,337,139
	30,702,598	4,382,952	**96,072,050**	65,337,139

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 (2020: 30 to 90) days of credit terms. They are recognised at their original invoice amounts which represent this fair value on initial recognition.

The Group and the Company always measure the loss allowance for trade receivables at an amount equal to 12-months expected credit losses ("ECL"). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors.

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Trade receivables	**31,101,021**	20,415,646	**2,942,516**	3,899,923
Less: Allowance for expected credit losses	**(16,956,461)**	(18,896,781)	**(2,942,516)**	(3,899,923)
	14,144,560	1,518,865	**-**	-

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (cont'd)

The reconciliation of the allowance for impairment losses on trade receivables are as follows:-

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
At 1 July	**18,896,781**	10,437,513	**3,899,923**	3,899,923
Recognised during the financial period	**-**	8,607,657	**-**	-
Reversal during the financial period	**(1,940,320)**	(127,574)	**(957,407)**	**-**
Translation difference	**-**	(20,815)	**-**	-
At 30 September/30 June	**16,956,461**	18,896,781	**2,942,516**	3,899,923

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Neither past due nor impaired	**13,357,219**	667,439	**-**	-
Past due but not impaired:				
1 to 30 days	**125,749**	279,676	**-**	-
31 to 60 days	**58,211**	338,336	**-**	-
61 to 90 days	**577,312**	39,698	**-**	-
91 to 180 days	**-**	-	**-**	-
More than 181 days	**16,982,530**	19,090,497	**-**	-
	17,743,802	19,748,207	**-**	-
Impaired	**(16,956,461)**	(18,896,781)	**(2,942,516)**	(3,899,923)
	14,144,560	1,518,865	**(2,942,516)**	(3,899,923)

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Ageing analysis of trade receivables (cont'd)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Trade receivables that are past due but not impaired mainly arose from active corporate clients with healthy business relationships, in which management is of the view that the amounts are recoverable based on past payment history.

The trade receivables that are past due but not impaired are unsecured in nature.

Receivables that are impaired

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

(b) Other receivables

Other receivables that are impaired

The Group's and the Company's other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:-

	Group		**Company**	
	Individually impaired		*Individually impaired*	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Current				
Other receivables				
-nominal amounts	**41,383,655**	47,770,916	**41,383,655**	43,665,513
Less: Allowance for				
impairment losses	**(41,383,655)**	(47,770,916)	**(41,383,655)**	(43,665,513)
	-	-	**-**	-

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Other receivables (Cont'd)

Other receivables that are impaired (cont'd)

	Group		Company	
	Individually impaired		*Individually impaired*	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Non-current				
Other receivables				
- nominal amounts	**16,700,000**	16,700,000	**16,700,000**	16,700,000
Less: Allowance for impairment losses	**(16,700,000)**	(16,700,000)	**(16,700,000)**	(16,700,000)
	-	-	**-**	-

Movement in allowance accounts:-

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Current				
At 1 July	**47,770,916**	23,771,881	**43,665,513**	45,947,373
Charge for the financial period				
-sundry receivables	**-**	18,525,631	**-**	-
-deposits	**-**	4,700,000	**-**	-
Reversal during the financial period	**(6,387,261)**	-	**(2,281,858)**	-
Disposal of subsidiaries*	**-**	773,404	**-**	(2,281,860)
At 30 September/30 June	**41,383,655**	47,770,916	**41,383,655**	43,665,513

* Remaining outstanding balances reclassified from amount due from subsidiaries (trade receivables) to sundry receivables (other receivables).

9. TRADE AND OTHER RECEIVABLES (CONT'D)

(c) Amounts due from subsidiaries

The amounts categorised under current trade and other receivables are unsecured, non-interest bearing and are repayable on demand.

The amounts categorised under non-current other receivables are non-interest bearing and have no fixed terms of repayment. These amounts are not expected to be repaid within the next twelve months.

10. OTHER INVESTMENTS

	Group and Company	
	2021	2020
	RM	RM
Current		
Financial assets at fair value through profit or loss		
At fair value:-		
Quoted shares in Malaysia	**507,880**	804,641
Market value of quoted share a investment	**507,880**	804,641

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Cash in hand and at banks	**15,453,087**	4,062,165	**15,437,045**	647,705
Short-term deposits with licensed banks	**85,841,956**	15,126,706	**82,808,773**	15,110,139
Cash and bank balances	**101,295,043**	19,188,871	**98,245,818**	15,757,844

Short-term deposits with licensed banks are made for varying period between 90 and 365 (2020: 90 and 365) days depending on the immediate cash requirements of the Group and of the Company and earn interests at the respective short-term deposit rates.

The effective interest rates of the short-term deposits with licensed banks at the reporting date ranged from 1.85% to 4.10% (2020: 0.01% to 4.10%) per annum.

11. CASH AND CASH EQUIVALENTS (CONT'D)

The maturities of these deposits at the respective reporting dates ranged from 90 to 365 (2020: 90 to 365) days.

For the purpose of the statements of cash flows, cash and cash equivalent comprise the following at the reporting date:-

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Cash and bank balances	**15,453,087**	4,062,165	**15,437,045**	647,705
Deposits with maturity of three months or more	**85,841,956**	15,126,706	**82,808,773**	15,110,139
Cash and cash equivalents	**101,295,043**	19,188,871	**98,245,818**	15,757,844

12. SHARE CAPITAL

	Group and Company	
	Number of ordinary shares	**Amount**
	Share capital (Issued and fully paid-up) Unit	Share capital (Issued and fully paid-up) RM
At 1 July 2019	508,563,506	104,047,413
Issuance of share capital pursuant to exercise of ESOS	198,339,767	17,350,965
At 30 June 2020/1 July 2020	706,903,273	121,398,378
Issuance of share capital pursuant to:		
i) Private Placement	**430,947,827**	**26,169,677**
ii) Exercise of ESOS	**186,105,738**	**15,385,614**
	1,323,956,838	**162,953,669**
Exercise share consolidation of every 10 shares held by the shareholders into 1 consolidated share	**132,395,684**	**-**
Issuance of share capital pursuant to rights issue of ordinary shares	**794,323,417**	**79,432,342**
At 30 September 2021	**926,719,101**	**242,386,011**

12. SHARE CAPITAL (CONT'D)

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

The new ordinary shares issued in current financial year rank pari passu in all respects with the existing ordinary shares of the Company.

13. RESERVES

	Employee share option reserve	Warrant reserve	Discount on shares	Foreign currency translation reserve	Other capital reserves	Total
	RM	RM	RM	RM	RM	RM
Group						
At 1 June 2019	-	22,984,556	(22,984,556)	1,090,000	1,464,843	2,554,843
Other comprehensive loss:-						
Foreign currency translation	-	-	-	(2,889,967)	-	(2,889,967)
Transactions with owners:-						
Expiry of warrant B	-	(2,017,679)	2,017,679	-	-	-
Share option granted	12,129,239	-	-	-	-	12,129,239
Share option exercised	(12,129,239)	-	-	-	-	(12,129,239)
At 30 June 2020	-	20,966,877	(20,966,877)	(1,799,967)	1,464,843	(335,124)
Other comprehensive loss:-						
Foreign currency translation	**-**	**-**	**-**	**(1,917,327)**	**-**	**(1,917,327)**
Transactions with owners:-						
Expiry of warrant C	**-**	**(20,966,877)**	**20,966,877**	**-**	**-**	**-**
Share option granted	**8,249,218**	**-**	**-**	**-**	**-**	**8,249,218**
Share option exercised	**(8,249,218)**	**-**	**-**	**-**	**-**	**(8,249,218)**
Issuance of warrant D	**-**	**39,716,171**	**(39,716,171)**	**-**	**-**	**-**
At 30 September 2021	**-**	**39,716,171**	**(39,716,171)**	**(3,717,294)**	**1,464,843**	**(2,252,451)**

13. RESERVES (CONT'D)

	Employee share option reserve RM	Warrant reserve RM	Discount on shares RM	Total RM
Company				
At 1 July 2019	-	22,984,556	(22,984,556)	-
Transactions with owners:-				
Share option granted	12,129,239	-	-	12,129,239
Share option exercised	(12,129,239)	-	-	(12,129,239)
Expiry of warrant B	-	(2,017,679)	2,017,679	-
At 30 June 2020	-	20,966,877	(20,966,877)	-
Transactions with owners:-				
Expiry of warrant C	**-**	**(20,966,877)**	**20,966,877**	**-**
Share option granted	**8,249,218**	**-**	**-**	**8,249,218**
Share option exercised	**(8,249,218)**	**-**	**-**	**(8,249,218)**
Issuance of warrant D	-	**39,716,171**	**(39,716,171)**	-
At 30 September 2021	**-**	**39,716,171**	**(39,716,171)**	**-**

a) Employee share options ("ESOS") reserve

	Group	
	2021	2020
	RM	RM
At 1 July	**-**	-
Granted during the financial year	**8,249,218**	12,129,239
Exercised during the financial year	**(8,249,218)**	(12,129,239)
At 30 September/30 June	**-**	-

Employees share options reserve represents the equity settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

13. RESERVES (CONT'D)

(b) Warrant reserve

Warrant reserve represent the fair value of the warrants issued at issue date.

(i) Warrant 2021/2024

The warrants which were listed on the ACE market of Bursa Malaysia Securities Berhad on 10 June 2021 were constituted by a Deed Poll executed on 19 April 2021. The main features of the warrants are as follows:-

(a) Each warrants entitles the holder to subscribe for 1 new ordinary share of RM0.10 each in the Company;
(b) The warrants may be exercised at any time on or before 2 June 2024;
(c) The exercise price and the unexercised warrant are subject to adjustments in accordance with the provisions as set out in the Deed Poll; and
(d) Full provisions regarding the transferability of warrants to new ordinary shares, which will thereafter rank pari passu with the existing ordinary shares of the Company, adjustment of the exercise price and other terms and conditions pertaining to the warrants are set out in detail in the Deed Poll which is available for inspection at the registered office of the Company.

The outstanding warrants unexercised at the reporting date amounted to 397,187,049.

(ii) Warrant 2017/2020

The warrants which were listed on the ACE market of Bursa Malaysia Securities Berhad on 9 November 2017 were constituted by a Deed Poll executed on 28 August 2017. The main features of the warrants are as follows:-

(a) Each warrants entitles the holder to subscribe for 1 new ordinary share of RM0.10 each in the Company at a price of RM0.20 per share by cash;
(b) The warrants may be exercised at any time on or before 2 November 2020;
(c) The exercise price and the unexercised warrant are subject to adjustments in accordance with the provisions as set out in the Deed Poll; and
(d) Full provisions regarding the transferability of warrants to new ordinary shares, which will thereafter rank pari passu with the existing ordinary shares of the Company, adjustment of the exercise price and other terms and conditions pertaining to the warrants are set out in detail in the Deed Poll which is available for inspection at the registered office of the Company.

The outstanding warrants unexercised at the reporting date amounted to 190,607,977 (2020: 190,607,977). On 2 November 2020, the warrant 2017/2020 had expired. Consequently, the remaining unexercised number of warrants amounted to 190,607,977 had lapsed.

13. RESERVES (CONT'D)

(c) Discount on shares

The discount on shares is a reserve account that is created to preserve the nominal value of the ordinary shares.

(d) Foreign currency translation reserve

The foreign currency translation reserve represents exchange difference arising from translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(e) Other capital reserves

Other capital reserves comprised the consolidation effects of a change in the Group's equity interest in a subsidiary.

14. PROVISION FOR RESTORATION COST

Provision for restoration cost is provided based on management's best estimate of the cost required to restore the office to its original state and condition upon the expiry or termination of the lease agreement and it is only adjusted when significant changes on the cost required for restoration.

15. LEASE LIABILITIES

	Group	
	2021	2020
	RM	RM
Current liabilities		
- not later than 1 year	**376,303**	466,507
Non-current liabilities		
- between 2 and 5 years	**526,103**	626,324
	902,406	1,092,831

The lease liabilities bear interest at rate of 2.39% to 6.65% (2020: 2.39% to 6.65% per annum.

15. LEASE LIABILITIES (CONT'D)

	2021 RM	2020 RM
At 1 July	**1,092,831**	-
Effect of adoption of MFRS 16	**-**	1,639,118
At 1 July, as restated	**-**	1,639,118
Additions	**349,491**	113,942
Accretion of interest	**143,832**	83,108
Payments		
- Interest	**(143,832)**	(83,108)
- Principal	**(539,916)**	(660,229)
At 30 September /30 June	**902,406**	1,092,831

The following are the amounts relating to right-to-use assets recognised in profit or loss:-

	2021 RM	2020 RM
Depreciation expense of right-of-use assets	**595,534**	698,430
Interest expense on lease liabilities	**143,832**	83,108
Expenses relating to short-term leases:-		
- Rental of office equipment	**189,783**	181,440
- Rental of server	**-**	94,359
Expenses relating to low value assets:-		
- Rental of printer	**5,400**	4,320

16. DEFINED BENEFIT OBLIGATIONS

Group

The Group have defined benefit obligations arising from two of its subsidiaries, mTouche (Thailand) Co. Ltd ("MCL") and PT mTouche ("PTMT") respectively.

Under labour laws in Thailand, all employees with more than 120 days of service are entitled to Legal Severance Payment benefits ranging from 30 to 300 days of final salary upon termination of service, including forced termination or retrenchment, or in the event of retirement.

The defined benefits obligations in Indonesia is governed under Indonesia's Labour Law No 13/2003 which required employers to provide a mandatory termination indemnity defined benefit plan to all permanent private sector employees. Upon termination of employment, regardless of the reason, the employer is obliged to provide severance pay and long service pay in a lump sum.

The present value of defined benefit obligation for both plans are as follows:-

	Group	
	2021	2020
	RM	RM
Defined benefit obligation plans arising from:-		
MCL ("MCL pension plan")	**426,532**	765,224
PTMT ("PTMT pension plan")	**6,089**	117,054
	432,621	882,278

16. DEFINED BENEFIT OBLIGATIONS (CONT'D)

The movements in the present values of the respective defined benefit obligation, which also represents the net liability are as follows:-

	MCL pension plan RM	PTMT pension plan RM	Total RM
At 1 July 2019	771,976	165,353	937,329
Current service cost	134,434	15,288	149,722
Interest cost	13,581	12,209	25,790
Actuarial gain recognised in other comprehensive income	(177,036)	(80,417)	(257,453)
Foreign exchange differences	22,269	4,621	26,890
At 30 June 2020	765,224	117,054	882,278
Current service cost	**-**	**6,252**	**6,252**
Interest cost	**-**	**18,965**	**18,965**
Benefit Payment	**-**	**(73,748)**	**(73,748)**
Actuarial gain recognised in other comprehensive income	**(240,641)**	**-**	**(240,641)**
Remeasurement of post-employment benefit expense	**-**	**(58,423)**	**(113,207)**
Foreign exchange differences	**(98,051)**	**(4,011)**	**(47,277)**
At 30 September 2021	**426,532**	**6,089**	**432,621**

The amounts recognised in profit and loss, in the administrative expenses line in the statements of profit or loss and other comprehensive income, are as follows:-

	2021 RM	2020 RM
Current service cost	**6,252**	149,722
Interest cost	**18,965**	25,790
	25,217	175,512

16. DEFINED BENEFIT OBLIGATIONS (CONT'D)

Principal actuarial assumptions used as follows:-

	2021	2020
	%	%
MCL pension plan		
Discount rate	**2.2**	2.2
Inflation rate	**1.2**	1
Expected rate of salary increases:-		
- prior to age 30	**12**	12
- age 30 onward	**8**	8
PTMT pension plan		
Discount rate	**11.3**	7.5
Expected rate of salary increases	**4**	6

A one percentage point change in the assumed discount rate would have the following effects:-

	Increase	Decrease
	RM	RM
2021		
Effect on the defined benefit obligations		
- MCL pension plan	**72,661**	274,278
- PTMT pension plan	**25,217**	186,955
2020		
Effect on the defined benefit obligations		
- MCL pension plan	**55,779**	(5,979)
- PTMT pension plan	**17,423**	4,193

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Trade payables				
Third parties	**4,287,057**	3,198,827	**197,870**	-
Trade accruals	**-**	43,775	**-**	-
	4,287,057	3,242,602	**197,870**	-
Other payables				
Accruals	**1,499,713**	2,289,322	**388,848**	359,983
Goods and Services Tax/Value Added Tax	**179,021**	21,319	**-**	-
Sundry payables	**1,162,721**	1,856,090	**-**	490,711
	2,841,455	4,166,731	**388,848**	850,694
Total trade and other payables	**7,128,512**	7,409,333	**586,718**	850,694

(a) Trade payables

These amounts are unsecured and non-interest bearing. Trade payables are normally settled on 60 to 90 (2020: 60 to 90) days of credit term.

(b) Amounts due to subsidiaries

These amounts are unsecured, non-interest bearing and are repayable on demand.

18. REVENUE

The Group's revenue disaggregated by primary geographical markets are as follows:-

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Indonesia	**239,999**	649,485	**-**	-
Malaysia	**13,899,593**	1,167,562	**-**	-
Thailand	**2,918,685**	3,865,112	**-**	-
Vietnam	**1,767,030**	3,496,272	**-**	-
	18,825,307	9,178,431	**-**	-

18. REVENUE (CONT'D)

The Group's revenue disaggregated by pattern of revenue recognition is as follows:-

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Goods transferred at a point of time				
Sales of license software	**654,730**	-	**-**	-
Sales of Covid-19 rapid antigen test kits	**13,500,815**	-	**-**	-
Services rendered over point of time				
Rendering of services	**4,669,762**	9,178,431	**-**	-
	18,825,307	9,178,431	**-**	-

19. LOSS BEFORE TAX

Loss before tax has been determined after charging/(crediting), amongst others, the following items:-

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Auditors' remuneration	**209,744**	140,000	**160,000**	127,000
Amortisation of intangible assets	**4,489,731**	1,670,162	**-**	-
Depreciation of property, plant and equipment	**1,686,569**	1,524,430	**49,420**	55,252
Depreciation of right-of-use assets	**595,534**	698,430	**-**	-
Foreign exchange (gain)/ losses:-				
- realised	**(32,538)**	(41,127)	**(32,602)**	-
- unrealised	**923,845**	-	**(102,227)**	105,595

19. LOSS BEFORE TAX (CONT'D)

Loss before tax has been determined after charging/(crediting), amongst others, the following items:- (cont'd)

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Impairment losses on financial assets:-				
- trade receivables	**6,466**	8,607,657	**-**	-
- other receivables	**-**	23,225,631	**-**	-
Operating lease:-				
- minimum lease payments for office space	**189,783**	280,199	**-**	-
- minimum lease payments for equipment	**5,400**	-	**-**	-
Bad debts written off	**-**	714,007	**-**	714,007
Reversal of impairment loss on other investments	**-**	(311,312)	**-**	(311,312)
Property, plant and equipment written off	**184,180**	-	**150,438**	-
Loss on disposal of other investments	**-**	247,758	**-**	247,758
Impairment losses on intangible assets	**3,497,955**	12,546,789	**-**	-
Reversal of impairment loss on financial assets:-				
- Trade receivables	**-**	(127,574)	**-**	-
Share based payment expenses	**4,587,927**	5,221,726	**4,587,927**	5,221,726
Interest income on placement on fixed deposits	**(983,219)**	(825,302)	**(915,280)**	(793,295)
Interest expenses on obligation under lease	**143,832**	83,108	**-**	-
Loss on disposal of plant and equipment	**3,664**	-	**-**	-
Gain on disposal of subsidiaries	**-**	(21,462,873)	**-**	(6,080)

20. TAX EXPENSE/(INCOME)

Major components of tax expense

The major components of tax expense/(income) for the financial period/year ended are as follows:-

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Statements of profit or loss:-				
Current tax				
- Foreign tax	**-**	55,128	**-**	-
- Malaysian tax	**-**	3,424	**-**	3,424
	-	58,552	**-**	3,424
Deferred tax (Note 8)				
- Origination and reversal of temporary differences	**(526,044)**	(107,537)	**-**	-
Tax expense/(income) recognised in profit or loss	**(526,044)**	(48,985	**-**	3,424
) **Other comprehensive income ("OCI"):-**				
Deferred tax related to item recognised in OCI during the financial year:-				
- Net loss on actuarial, representing income tax charged to OCI	**141,510**	(35,407)	**-**	-

20. TAX EXPENSE/(INCOME) (CONT'D)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense/(income) and the product of accounting profit multiplied by the applicable corporate tax rate for the financial year ended 30 September 2021 and 30 June 2020 are as follows:-

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Loss before tax	**(22,674,113)**	(27,064,295)	**(7,419,304)**	(6,073,886)
Tax at Malaysia statutory tax rate of 24% (2020: 24%)	**(5,441,786)**	(6,495,431)	**(1,780,633)**	(1,457,733)
Tax effects in respect of:-				
Different tax rates in other countries	**818,950**	925,802	**-**	-
Expenses not deductible for tax purposes	**1,994,002**	4,374,985	**540,106**	183,511
Income not subject to tax	**-**	(95,978)	**-**	(61,961)
Movement of deferred tax assets not recognised	**2,102,790**	1,336,183	**1,240,527**	1,336,183
Under/(Over) provision of income tax in respect of previous year	**-**	3,424	**-**	(3,424)
Tax (expense)/income recognised in profit or loss	**(526,044)**	48,985	**-**	(3,424)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the financial period/year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

21. BASIC/DILUTED LOSSES PER SHARE

Basic losses per share are calculated by dividing the loss for the financial year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period/year.

The following information reflects the loss and share data used in the computation of basic losses per share for the financial period/year ended:-

	Group	
	2021	2020
	RM	RM
Loss, net of tax attributable to owners of the Company used in the computation of basic losses per share	**(22,158,631)**	(26,976,646)
Weighted average number of ordinary shares for basic losses per share computation	**347,944,491**	522,670,493
Basic losses per share for the financial year (sen per share)	**(6.37)**	(5.16)

The outstanding warrants have been excluded from the computation of fully diluted losses per share as the exercise of warrant to ordinary shares would be antidilutive and as such, the diluted losses per share is the same amount as the basic losses per share.

There have been no other transactions involving ordinary shares on potential dilution of ordinary shares since the reporting date and before the completion of these financial statements.

For the purpose of calculating diluted losses per ordinary share, the weighted average number of ordinary shares in issue during the financial period/year have been adjusted for the dilutive effects of all potential ordinary shares arising consequent to the expiry of Warrant 2017/2020.

	Group	
	2021	2020
	RM	RM
Number of warrants outstanding as at the end of financial period	**397,161,708**	190,607,977
Total number of shares (diluted)	**745,106,199**	713,278,470
Losses per share (diluted)	**(2.97)**	(3.78)

22. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Wages, salaries and bonuses	**4,326,193**	4,171,441	**888,565**	679,100
Contribution to defined contribution plan	**209,020**	149,920	**35,393**	26,611
Social security contributions	**22,355**	24,713	**1,154**	923
Increase in liability for defined benefits obligation (Note 16)	-	175,512	-	-
Other benefits	**259,436**	151,629	**45,180**	-
	4,817,004	4,673,215	**970,292**	706,634

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM843,928 (2020: RM643,004) and RM843,928 (2020: RM643,004) respectively as further disclosed in Note 23 to the Financial Statements.

23. DIRECTORS' REMUNERATION

The details of remuneration receivable by Directors of the Group and of the Company during the financial period/year are as follows:-

	Group and Company	
	2021	2020
	RM	RM
Executive Directors:-		
Salaries and other emoluments	**741,381**	571,470
Bonus	**66,000**	44,000
Contributions to defined contribution plan	**35,393**	26,611
Social security contributions	**1,154**	923
Total Executive Directors' remuneration (Note 22)	**843,928**	643,004
Non-executive Directors:-		
Fees, representing total Non-executive Directors' remuneration	**162,565**	133,500
Total Directors' remuneration	**162,565**	133,500

23. DIRECTORS' REMUNERATION (CONT'D)

The number of Directors of the Company whose total remuneration during the financial period/year fell within the following bands is analysed as below:-

	Number of Directors	
	2021	2020
	RM	RM
Executive Directors:-		
RM200,001 - RM250,000	**-**	1
More than RM250,000	**2**	1
Non-executive Directors:-		
Less than RM50,001	**2**	3
More than RM50,001	**2**	-

24. EMPLOYEES SHARE OPTIONS SCHEME (ESOS")

At an extraordinary general meeting held on 23 January 2017, the Company's shareholders approve establishment of an ESOS for eligible employees of the Group. The effective date of implementation of the ESOS is on 13 November 2017 ("Effective Date").

The salient features of the ESOS are as follows:-

(a) Any employee of the Group shall be eligible if as the date of offer, the employee:-

(i) Is at least eighteen (18) years of age and/or above;
(ii) He/she is employed full time by and on the payroll of any company in the Group and his/her employment has been confirmed by any company in the Group.

(b) Any Director of the Group shall be eligible if as at the date of offer, the employee:-

(i) Is at least eighteen (18) years of age and/or above;
(ii) The Director is a Director named in the register of Directors of the Group;
(iii) Specific allocation of new shares to the Director of the Company under the Scheme must be approved by the shareholders of the Company in a general meeting and is not prohibited or disallowed by the relevant authorities or laws from participating in the ESOS.

(c) The maximum number of new shares to be issued pursuant to the exercise of the shares which may be granted under the ESOS shall not exceed thirty percent (30%) of the total issued and paid-up share capital (excluding treasury shares, if any) of the Company at any point of time through out the duration of the ESOS;

24. EMPLOYEES SHARE OPTIONS SCHEME (ESOS")(CONT'D)

(d) The ESOS shall be valid for a period of five (5) years from the effective date of implementation of the ESOS of 13 November 2017 to 12 November 2022;

(e) The option granted may be exercised any time upon the satisfaction of vesting conditions of each offer;

(f) Upon exercise of the options, the shares issued rank pari passu in all respects with the then existing ordinary shares of the Company; and

(g) The employees and Directors to whom the options have been granted have no right to participate, by virtue of these options, in any ordinary share issue of any other company.

Movement in the number of share options and the exercise prices are as follows:-

	Group and Company	
	Number of share option	
	2021	2020
	RM	RM
At 1 July	**-**	-
Granted during the financial period/year	**186,105,738**	198,339,767
Exercise during the financial period/year	**(186,105,738)**	(198,339,767)
At 30 September/30 June	**-**	-
Exercise price	**0.06**	0.06

The fair value of share options granted to eligible employees, was estimated by an external valuer using Trinomial Option Pricing Model, taking into account the terms and conditions upon which the options were granted.

24. EMPLOYEES SHARE OPTION SCHEME (ESOS")(CONT'D)

The fair value of share option measured at the grant date and the input assumed by the Company is arising the fair value are as follows:-

Group and Company
2021

	ESOS 1	**ESOS 2**	**ESOS 3**	**ESOS 4**
Fair value of the share options at grant date:				
(i) 22 July 2020	**0.0268**	**-**	**-**	**-**
(ii) 6 October 2020	**-**	**0.0227**	**-**	**-**
(iii) 16 October 2020	**-**	**-**	**0.0225**	**-**
(iv) 22 January 2021	**-**	**-**	**-**	**0.0280**
Exercise price	**0.065**	**0.055**	**0.055**	**0.060**
Share price of the Company at grant date	**0.060**	**0.055**	**0.055**	**0.065**
Volatility (%)	**85% to 105%**	**80% to 100%**	**80% to 100%**	**80% to 120%**
Option life (years)	**2.31**	**2.10**	**2.07**	**1.81**
Risk-free interest rate (%)	**1.80%**	**1.79%**	**1.69%**	**1.80%**

2020

	ESOS 1	ESOS 2
Fair value of the share options at grant date		
(i) 13 May 2020	0.02	0.02
(ii) 15 June 2020		
Exercise price	0.06	0.065
Share price of the Company at grant date	0.07	0.07
Volatility (%)	85% to 105%	85% to 105%
Option life (years)	2.49	2.41
Risk-free interest rate (%)	1.80%	1.80%

The expected life of the share options is based on historical date, has been adjusted according to management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting the market conditions attached to the option), and behavioral considerations. The expected volatility is based on the historical share price volatility over the past 1 year, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long term average level. While he expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

The share options expenses of RM4,587,927 recognised in profit or loss for share options granted to employees is disclosed in Note 19 to the Financial Statements.

25. RELATED PARTY

(a) Significant transactions and balances with related parties

There were no significant transactions with related parties during the current and previous financial year.

The outstanding balances arising from related party transactions as at the reporting date are disclosed in Note 9 and 17 to the Financial Statements.

(b) Compensation of key management personnel

	Group and Company	
	2021	2020
	RM	RM
Short-term employee benefits	**808,535**	616,393
Defined contribution plan	**35,393**	26,611
	843,928	643,004

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling of the Group and the Company either directly or indirectly.

Included in the total key management personnel are Directors' Remuneration as disclosed in Note 23 to the Financial Statements.

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:-

	Note
Trade and other receivables (current and non-current)	9
Cash and bank balances (current)	11
Trade and other payables (current and non-current)	17

26. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

The table below summaries the method used in determining the fair value of financial instruments on a recurring basis at financial period/year :-

Financial instruments	Fair value as at		Fair value hierarchy	Valuation technique and key inputs
	2021	2020		
	RM	RM		
Group				
Assets				The fair value of quoted shares are determined by reference to their published market closing price or the quoted closing bid price as of the reporting date.
Other investments	**507,880**	804,641	Level 1	
Company				
Assets				
Other investments	**507,880**	804,461	Level 1	

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.

27. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table provides an analysis of financial instruments categorised as follows:-

(a) Financial assets measured at amortised cost ("FA");
(b) Financial assets designated at fair value through profit or loss ("FVTPL"); and
(c) Other financial liabilities measured at amortised cost ("OFL").

27. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instruments (Cont'd)

The table provides an analysis of financial instruments categorised as follows:-

	Carrying amount	FA	FVTPL	OFL
	RM	RM	RM	RM
Group				
2021				
Financial assets				
Trade and other receivables	**30,702,598**	**30,702,598**	-	-
Other investments	**507,880**	-	**507,880**	-
Cash and bank balances	**101,295,043**	**101,295,043**	-	-
	132,505,521	**131,997,641**	**507,880**	-
Financial liability				
Trade and other payables	**7,128,512**	-	-	**7,128,512**
	7,128,512	-	-	**7,128,512**
2020				
Financial assets				
Trade and other receivables	4,382,952	4,382,952	-	-
Other investments	804,641	-	804,641	-
Cash and bank balances	19,188,871	19,188,871	-	-
	24,376,464	23,571,823	804,641	-
Financial liability				
Trade and other payables	7,409,333	-	-	7,409,333
	7,409,333	-	-	7,409,333

27. FINANCIAL INSTRUMENT (CONT'D)

Categories of financial instruments (Cont'd)

The table provides an analysis of financial instruments categorised as follows:-

	Carrying amount	FA	FVTPL	OFL
	RM	RM	RM	RM
Company				
2021				
Financial assets				
Trade and other receivables	**96,072,050**	**96,072,050**	-	-
Other investments	**507,880**	-	**507,880**	-
Cash and bank balances	**98,245,818**	**98,245,818**	-	-
	194,825,748	**194,317,868**	**507,880**	-
Financial liability				
Trade and other payables	**586,718**	-	-	**586,718**
2020				
Financial assets				
Trade and other receivables	65,337,139	65,337,139	-	-
Other investments	804,641	-	804,641	-
Cash and bank balances	15,757,844	15,757,844	-	-
	81,899,624	81,094,983	804,641	-
Financial liability				
Trade and other payables	850,694	-	-	850,694

Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Executive Director. The audit committee provides independent oversight to the effectiveness of the risks management process.

27. FINANCIAL INSTRUMENT (CONT'D)

Financial risk management objectives and policies (Cont'd)

It is, and has been throughout the current and previous financial year, the Group's and the Company's policy that no derivatives shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) **Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. Deposits with banks are placed with reputable licensed financial institution with high credit rating.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trades only with recognised and creditworthy third parties. It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In additions, receivables balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is presented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables at the reporting date are as follows:-

	Group			
	2021		2020	
	RM	**% of total**	RM	% of total
By market				
Matured markets	**13,181,235**	**93%**	586,517	39%
Emerging markets	**963,325**	**7%**	932,348	61%
	14,144,560	**100%**	1,518,865	100%

Information regarding matured markets and emerging markets is disclosed in Note 29 to the Financial Statements.

27. FINANCIAL INSTRUMENT (CONT'D)

Financial risk management objectives and policies (Cont'd)

(a) Credit risk (cont'd)

At the reporting date, revenue from major customers in the matured markets segments are as follows:-

	Revenue	
	2021	2020
	RM	RM
Customer		
Customer A	**1,775,175**	3,069,209
Customer B	**12,224,062**	500,000
	13,999,237	3,569,209

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The following areas of the Group are exposure to liquidity risk:-

	Carrying amount	Contractual cash flows	Within 1 year	2 to 5 years
	RM	RM	RM	RM
2021				
Lease liabilities	**902,406**	**959,049**	**399,940**	**559,110**
2020				
Lease liabilities	1,092,831	1,244,512	545,985	698,526

At the reporting date, the Group's and the Company's other financial liabilities will mature in less than one year based on carrying amounts reflected in the financial statements except for lease liabilities as disclosed in above table.

The above amounts reflected the contractual undiscounted cash flows of the financial liabilities, which may differ from carrying value of the liabilities at the end of the financial period.

27. FINANCIAL INSTRUMENT (CONT'D)

Financial risk management objectives and policies (Cont'd)

(c) **Interest rate risk**

Interest rate risk is that the fair value of future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company's fixed rate borrowings are not exposed to a risk of change in their fair value due to changes in interest rates.

The interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group and the Company target a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

The interest rate of the significant interest-bearing financial instruments, based on carrying amounts as at the reporting date are as follows:-

	Group		Company	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Fixed rate instruments				
Financial asset				
Fixed deposits with licensed banks	**15,453,087**	15,126,706	**15,437,045**	15,110,139
Financial liabilities				
Lease liabilities	**(902,406)**	(1,092,831)	**-**	-
Total	**14,550,681**	14,033,875	**15,437,045**	15,110,139

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

27. FINANCIAL INSTRUMENT (CONT'D)

Financial risk management objectives and policies (Cont'd)

(d) **Foreign currency risk**

Foreign currency risk is the risk that fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates.

The Group have transactional currency exposures arising from sales or purchases that are denominated in various foreign currencies, primarily Thai Baht ("THB"), Indonesian Rupiah ("IDR"), Vietnamese Dong ("VND") and Hong Kong Dollar ("HKD").

Approximately 28% (2020: 87%) of the Group's sales are from foreign currencies whilst almost 24% (2020: 83%) of costs of sales are from the respective functional currencies of the Group entities. The Group's trade receivables and trade payables balances at the reporting date have similar exposures.

The Group also holds cash and cash equivalents from foreign currencies for working capital purposes. At the reporting date, such foreign currency balances amounted to RM1,895,696 (2020: RM2,975,149).

The Group and the Company are also exposed to currency translation risk arising from its net investment in foreign operation in Thailand, Philippines, Indonesia, Vietnam, Hong Kong and Cambodia. The investment is not hedged as currency positions in THB, Philippines Peso ("PHP"), IDR, VND, and HKD are considered to be long-term in-nature.

Sensitivity for foreign currency risk

The following tables demonstrate the sensitivity of the Group's loss, net of tax to a reasonably possible change in the following foreign currencies:-

		Group	
		2021	2020
		RM	RM
		Loss, net of tax	Loss, net of tax
RM/THB	– strengthened 1% (2020: 1%)	**(9,582)**	(7,546)
RM/HKD	– strengthened 1% (2020: 1%)	**(1,284)**	(2,941)
RM/VND	– strengthened 1% (2020: 1%)	**(5,693)**	(10,830)
RM/IDR	– strengthened 1% (2020: 1%)	**(4,688)**	(10,634)
RM/USD	– strengthened 1% (2020: 1%)	**(926)**	(754)
RM/PHP	– strengthened 1% (2020: 1%)	**(818)**	(542)

The weakening of the currencies at a similar rate above will result in an equal but opposite effect to the Group's loss, net of tax.

28. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial period/year ended 30 September 2021 and 30 June 2020.

The Group monitors capital using a gearing ratio, which is net debt/(surplus) divided by total capital plus net debt. The Group's policy is to keep the gearing ratio at manageable level. The Group includes within net debts, trade and other payables, less cash and bank balances.

	Group		Company	
	2020	2020	**2021**	2020
	RM	RM	**RM**	RM
Trade and other payables	**7,128,512**	7,409,333	**586,719**	850,694
Lease liabilities	**526,103**	1,092,831	**-**	-
Less: Cash and cash equivalents	**(101,295,043)**	(19,188,871)	**(98,245,818)**	(15,757,844)
Net surplus	**(93,640,428)**	(10,686,707)	**(97,659,099)**	(14,907,150)
Equity attributable to the owners of the company, representing total capital	**160,048,069**	62,754,243	**195,074,375**	81,506,046
Total capital and net debt	**66,407,641**	52,067,536	**97,415,276**	66,598,896
Gearing ratio	**-141%**	-21%	**-100%**	-22%

29. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on geographical segments, and has two reportable operating segments as follows:-

(i) Matured markets – countries that have saturated markets which include Malaysia, Hong Kong and Thailand.

(ii) Emerging markets – countries with potential growth and low penetration rate which include Indonesia, Vietnam, Cambodia and Philippines.

29. SEGMENT INFORMATION (CONT'D)

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) is managed on a Group basis and is not allocated to operating segments.

Transfer prices between operating segments are at negotiated terms agreed between the parties during the financial period/year.

	Matured markets RM	Emerging markets RM	Eliminations RM	Notes	Per consolidated financial statements RM
Group					
2021					
Revenue					
External customers	**16,212,504**	**2,612,803**	**-**		**18,825,307**
Inter-segment	**605,774**	**-**	**(605,774)**	**A**	**-**
Total revenue	**16,818,278**	**2,612,803**	**(605,774)**		**18,825,307**
Results					
Interest income	**(979,792)**	**(3,427)**	**-**		**(983,219)**
Interest expenses	**143,832**	**-**	**-**		**143,832**
Depreciation and amortisation	**8,181,338**	**15,614**	**-**		**8,196,952**
Other non-cash expenses	**8,946,318**	**45,791**	**-**	**B**	**8,992,109**
Tax income	**526,044**	**-**	**-**		**526,044**
Segment loss	**(24,298,412)**	**(258,899)**	**1,883,198**	**C**	**(22,674,113)**
Assets					
Addition to plant and equipment	**583,106**	**6,221**	**-**		**589,327**
Tax recoverable	**256,745**	**7,024**	**-**		**263,769**
Deferred tax assets	**2,321,503**	**-**	**(16,217)**		**2,305,286**
Segment assets	**260,908,818**	**2,025,757**	**(96,108,558)**	**D**	**166,826,017**
Segment liabilities	**102,084,395**	**7,194,820**	**(100,815,676)**	**E**	**8,463,539**

29. SEGMENT INFORMATION (CONT'D)

	Matured markets RM	Emerging markets RM	Eliminations RM	Notes	Per consolidated financial statements RM
2020					
Revenue					
External customers	5,032,674	4,145,757	-		9,178,431
Inter-segment	-	-	-	A	-
Total revenue	5,032,674	4,145,757	-		9,178,431
Results					
Interest income	(820,189)	(5,113)	-		(825,302)
Interest expenses	83,108	-	-		83,108
Depreciation and amortisation	3,878,826	14,196	-		3,893,022
Other non-cash expenses	29,078,253	14,216	-	B	29,092,469
Tax income/(expense)	115,039	(66,054)	-		48,985
Segment loss	(32,464,071)	(3,269)	5,403,045	C	(27,064,295)
Assets					
Additions to plant and equipment	131,922	1,901	-		133,823
Tax recoverable	322,746	5,285	-		328,031
Deferred tax assets	2,045,105	-	(16,217)		2,028,888
Segment assets	135,775,004	1,770,355	(66,571,281)	D	70,974,078
Segment liabilities	74,292,413	7,521,983	(71,860,107)	E	9,954,289

29. SEGMENT INFORMATION (CONT'D)

Notes: Natures of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:-

		Group	
		2021	2020
	Note	**RM**	RM
Bad debts written off	21	**-**	714,007
Impairment losses on financial assets	10	**6,466**	31,833,288
Impairment losses on other investments	21	**-**	-
Impairment losses on intangible assets	21	**3,497,955**	12,546,789
Share based payment expenses	21	**4,587,927**	5,221,726
Loss on disposal of other investments	21	**-**	247,758
Reversal of impairment loss on other investments	21	**-**	(311,312)
Gain on disposal of subsidiaries	8(c)	**-**	(21,462,873)
Unrealised foreign exchange loss	21	**923,845**	-
Realised foreign exchange gain	21	**(32,538)**	-
Increase in liability for defined benefits obligation	18	**4,790**	175,512
Loss on disposal of plant and equipment	21	**3,664**	-
Reversal of impairment loss on financial assets	10	**-**	127,574
		8,992,109	29,092,469

C Inter-segment revenues and expenses amounting to RM1,883,198 (2020: RM5,403,045 were deducted from segment loss to arrive at "Profit before tax" presented in the consolidated statement of comprehensive income.

D Inter-segment assets amounting to RM96,108,558 (2020: RM66,571,281) were deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position.

E Inter-segment liabilities amounting to RM100,815,676 (2020: RM71,860,107) were deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

29. SEGMENT INFORMATION (CONT'D)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:-

	Group			
	Revenue		Non-current assets	
	2021	2020	**2021**	2020
	RM	RM	**RM**	RM
Matured markets	**16,212,504**	5,032,674	**30,689,183**	43,131,542
Emerging markets	**2,612,803**	4,145,757	**14,940**	63,204
	18,825,307	9,178,431	**30,704,123**	43,194,746

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:-

	Group	
	2021	2020
	RM	RM
Property, plant and equipment	**1,319,882**	2,682,716
Right-of-use assets	**845,475**	1,041,023
Intangible assets	**28,538,766**	39,471,007
	30,704,123	43,194,746

Information about major customer

Information about major customer is disclosed in Note 27(a) to the Financial Statements.

30. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL PERIOD

(i) Coronavirus Disease 2019 ("COVID-19")

The rapid spread of the Coronavirus (COVID-19") pandemic situation has had a devastating impact on the lives of people, businesses and economics around the world. In response to the pandemic declaration by the World Health Organisation, the Malaysian Government had imposed the Movement Control Order ("MCO") from 18 March 2020 to curb the spread of the COVID-19 pandemic. The MCO resulted in restrictions on businesses from the operating except for those entities that were deemed as providing essential services.

Due to the increase in cases in the country, the Government again imposed MCO with

30. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL PERIOD (CONT'D)

(i) Coronavirus Disease 2019 ("COVID-19") (Cont'd)

effect from 1 June 2021 followed by a four-phase National Recovery Plan with specific threshold indications.

As at the date of authorisation of the financial statements, it is not possible to estimate the full impact of the outbreak's long-term effects on the performance of the Group as the COVID-19 pandemic situation is still evolving and uncertain. The Group will continue to actively monitor and manage its funds and operations to minimise any impact arising from the COVID-19 pandemic.

(ii) Employees Share Option Scheme ("ESOS")

On 22 January 2021, the Company has granted 42,474,481 units of shares option with an exercise price of RM0.60 per share option. The ESOS granted was exercised on 22 January 2021.

(iii) Corporate Exercises

On 20 January 2021, the Company had completed the private placement following the listing of and quotation for 116,498,000 units of Placement Shares on the ACE Market of Bursa Malaysia Securities Berhad.

On 22 April 2021, the Company's existing number of 1,323,956,839 shares will be consolidated into 132,395,674 consolidated shares and has been listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad.

On 10 June 2021, the Company had completed the Rights Issue with Warrants of 294,323,417 Rights Shares and 397,161,708 Warrants D on the ACE Market of Bursa Malaysia Securities Berhad.

Analysis Of Shareholdings

As at 31 December 2021

Issued and Paid-Up Share Capital	:	RM232,576,357.74 comprising of 926,719,091 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share
Number of shareholders	:	8,497

Analysis of Shareholdings

Holdings	No. of shareholders	% of shareholders	No of shares held	% of shareholdings
1 – 99	829	9.76	25,818	0.00
100 – 1,000	1,458	17.16	901,935	0.10
1,001 – 10,000	3,205	37.72	15,713,463	1.70
10,001 – 100,000	2,405	28.30	88,626,326	9.56
100,001 – 46,335,954*	595	7.00	361,458,049	39.00
46,335,955 and above**	5	0.06	459,993,500	49.64
TOTAL	**8,497**	**100.00**	**926,719,091**	**100.00**

Note:

* *less than 5 % of issued shares*

** *5% and above of issued shares*

List of Substantial Shareholders (based on Register of Substantial Shareholders)

Shareholders	Direct		Indirect	
	No. of shares	%	No. of shares	%
Iconworld Resources Sdn. Bhd.	185,050,000	19.97	-	-
Permaju Industries Berhad	-	-	185,050,000[a]	19.97
DGB Networks Sdn. Bhd.	79,751,000	8.61		
DGB Asia Berhad			79,751,000[b]	8.61
Morgan Stanley	-	-	59,611,700[c]	6.43
Mitsubishi UFJ Financial Group, Inc	-	-	59,611,700[c]	6.43
Credit Suisse AG	55,037,700	5.94	-	-
Credit Susisse Group AG	-	-	55,037,700[d]	5.94
Kua Khai Shyuan	30,004,001	3.24	-	-
Kamarudin bin Meranun	13,649,350	1.47	-	-

Note:

[a] *Deemed interest by virtue of its shareholding in Iconworld Resources Sdn. Bhd.*

[b] *Deemed interest by virtue of its shareholding in DGB Networks Sdn. Bhd.*

[c] *Deemed interest by virtue of its shareholding in Morgan Stanley Co & International Plc.*

[d] *Deemed interest by virtue of its shareholding in Credit Suisse AG.*

List of Directors' Shareholdings

	Direct		Indirect	
	No. of Shares	**%**	**No. of Shares**	**%**
Khairul Azwan bin Harun	-	-	-	-
Ng Kok Hok	-	-	-	-
Kunamony A/P S.Kandiah	-	-	-	-
Tang Boon Koon	50,000	0.005	-	-
Chen Huei Ping	50,000	0.005	-	-

As at 31 December 2021

List of Thirty (30) Largest Shareholders

	Name	No. of shares held	Percentage (%)
1	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Exempt An for Lazarus Corporate Finance Pty Ltd	185,050,000	19.97
2	Affin Hwang Nominees (Asing) Sdn. Bhd. Exempt An for Sanston Financial Group Limited (Account Client)	81,294,100	8.77
3	Cartaban Nominees (Asing) Sdn. Bhd. Exempt An for Standard Chartered Bank Singapore (EFGBHK-Asing)	79,000,000	8.53
4	HSBC Nominees (Asing) Sdn. Bhd. Exempt An for Morgan Stanley & Co. International Plc (IPB Client Acct)	59,611,700	6.43
5	HSBC Nominees (Asing) Sdn. Bhd. Exempt An for Credit Suisse AG (DUB CLT N-Treat)	55,037,700	5.94
6	Ace Edible Oil Industries Sdn. Bhd.	46,164,000	4.98
7	CGS-CIMB Nominees (Asing) Sdn. Bhd. Exempt An for CGS-CIMB Securities (Hong Kong) Limited (Foreign Client)	41,697,500	4.50
8	MIDF Amanah Investment Nominees (Asing) Sdn. Bhd. For Lazarus Securities Pty Ltd for Lazarus Capital Partners Global Equities Fund	32,158,900	3.47
9	Cartaban Nominees (Asing) Sdn. Bhd. Barclays Bank Plc (Re Equities)	29,510,000	3.18
10	Affin Hwang Nominees (Asing) Sdn. Bhd. DBS Vickers Secs (S) Pte Ltd for KGI Securities (Singapore) Pte. Ltd.	8,128,800	0.88
11	Yong Jee Patt	7,419,600	0.80
12	Kamarudin Bin Meranun	5,459,740	0.59
13	Kee Ku Huak	4,059,880	0.44
14	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Man Singh A/L Sham Singh	3,550,000	0.38
15	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Beh Hang Kong	3,296,800	0.36
16	Quek Jia Yi	2,791,000	0.30
17	Lim Keng Chuan	2,598,000	0.28
18	Nora Ee Siong Chee	2,430,400	0.26
19	Too Jia Erl	2,380,000	0.26
20	Chan Kon Loong	2,020,020	0.22
21	Public Invest Nominees (Tempatan) Sdn Bhd Exempt An for Phillip Securities Pte Ltd (Clients)	2,000,000	0.22
22	Rhythm Networks Consulting Sdn Bhd	2,000,000	0.22
23	Citigroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited (Client A/C-Nr)	1,872,000	0.20
24	Kenanga Nominees (Asing) Sdn Bhd Exempt An for Monex Boom Securities (HK) Limited	1,804,400	0.19
25	Ting Kwong Keong	1,800,000	0.19
26	Chian Kiang Yeah	1,500,000	0.16
27	Tan Chee Kiong	1,500,000	0.16
28	CGS-CIMB Nominees (Tempatan) Sdn Bhd Exempt An for CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)	1,395,000	0.15
29	Lok Keng Chong	1,395,000	0.15
30	Piong Yon Wee	1,389,200	0.15
	TOTAL	**670,313,740**	**72.33**

Analysis of Warrant D Holdings

As at 31 December 2021

Type of Securities	:	Warrants
Total Number of Warrants Issued	:	397,161,708
Total Number Of Outstanding Warrants	:	397,161,708
Exercise Price	:	RM0.10 per warrant
Voting Right	:	The holder of warrants is not entitled to any voting rights

Distribution of Warrant D Holdings

Size of warrantholdings	No. of warrantholders	% of warrantholders	No of warrant held	% of warrantholdings
1 – 99	23	1.42	1,222	0.00
100 – 1,000	44	2.72	23,846	0.00
1,001 – 10,000	447	27.61	2,412,976	0.61
10,001 – 100,000	863	53.30	32,204,910	8.11
100,000 - 19,858,085*	238	14.70	139,427,154	35.11
19,858,086 and above**	4	0.25	223,091,600	56.17
TOTAL	**1,619**	**100.00**	**397,161,708**	**100.00**

Note:
* *less than 5 % of issued warrants*
** *5% and above of issued warrants*

Directors' Warrant D Holdings

	Direct		Indirect	
	No. of warrants	%	No. of warrants	%
Khairul Azwan bin Harun	-	-	-	-
Ng Kok Hok	-	-	-	-
Kunamony A/P S.Kandiah	-	-	-	-
Tang Boon Koon	-	-	-	-
Chen Huei Ping	-	-	-	-

As at 31 December 2021

List of Thirty (30) Largest Warrant D Holders

	Name	No. of warrants held	Percentage (%)
1	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Exempt An for Lazarus Corporate Finance Pty Ltd	92,525,000	23.30
2	CGS-CIMB Nominees (Asing) Sdn. Bhd. Exempt An for CGS-CIMB Securities (Hong Kong) Limited (Foreign Client)	61,547,200	15.50
3	MIDF Amanah Investment Nominees (Asing) Sdn. Bhd. For Lazarus Securities Pty Ltd for Lazarus Capital Partners Global Equities Fund	45,605,000	11.48
4	Cartaban Nominees (Asing) Sdn. Bhd. Barclays Bank Plc (Re Equities)	23,414,400	5.90
5	Choo Kwang Wah	12,000,000	3.02
6	Lai Yee Voon	10,400,000	2.62
7	Chia Teck Beng	7,700,800	1.94
8	Phoon Chew Yit	6,191,700	1.56
9	Quek Soon Tiang	5,000,000	1.26
10	Chong Cheng Quan	2,800,600	0.71
11	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Piong Yon Wee (6000652)	2,503,000	0.63
12	Lim Siew Ching	2,503,000	0.63
13	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Pang Kia Fatt	2,503,000	0.63
14	Ong Kian Huat	2,503,000	0.63
15	Tay Hua Lee	2,266,000	0.57
16	Kee Ku Huak	2,081,490	0.52
17	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Beh Hang Kong	2,068,400	0.52
18	Pang Kia Fatt	1,672,600	0.42
19	Tan Li Li	1,647,100	0.41
20	Chong Meng Kiat	1,600,000	0.40
21	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Azrui Nizam Bin Itam	1,500,000	0.38
22	Quek Hong Jie	1,328,700	0.33
23	Tan Yoke Theng	1,300,000	0.33
24	Lim Keng Chuan	1,299,000	0.33
25	Chen Nyok Yen	1,262,400	0.32
26	Chee Sue Fey	1,253,000	0.32
27	Lim Hong Hsiung	1,253,000	0.32
28	Yew Fong Tin	1,253,000	0.32
29	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Exempt An for CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)	1,046,000	0.26
30	Nora Ee Siong Chee	1,041,600	0.26
	TOTAL	**301,068,990**	**75.81**

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting ("17th AGM") of the Company will be conducted entirely through live streaming / fully virtual from the Broadcast Venue at Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor (https://rebrand.ly/mToucheAGM) on Thursday, 3 March 2022 at 10.00 a.m. for the purpose of considering the following businesses:-

A G E N D A

Ordinary Business

1.	To receive the Audited Financial Statements for the financial period ended 30 September 2021 together with the Reports of the Directors and the Auditors thereon.	**(Please refer to Explanatory Note 1)**
2.	To re-elect Ms Kunamony A/P S.Kandiah, a Director who is retiring in accordance with Regulation 97 of the Company's Constitution.	**Ordinary Resolution 1**
3.	To re-elect Mr Ng Kok Hok, a Director who is retiring in accordance with Regulation 104 of the Company's Constitution.	**Ordinary Resolution 2**
4.	To re-elect Encik Khairul Azwan bin Harun, a Director who is retiring in accordance with Regulation 104 of the Company's Constitution.	**Ordinary Resolution 3**
5.	To approve the payment of Directors' fees of RM627,143.00 for the financial year ending 30 September 2022.	**Ordinary Resolution 4**
6.	To approve the payment of Directors' remuneration (excluding Directors' fees) payable to the Board of the Company and its subsidiaries amounting to RM488,090 for the financial period from 1 December 2021 until 28 February 2023.	**Ordinary Resolution 5**
7.	To re-appoint Messrs Afrizan Tarmili Khairul Azhar as Auditors of the Company and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 6**

Special Business

To consider and if thought fit, to pass the following Resolution, with or without modifications:-

8.	**Authority to Issue Shares** "THAT subject always to the Companies Act 2016, Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot not more than ten percent (10%) of the issued capital (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expiration of the approval hereof."	**Ordinary Resolution 7**
9.	To transact any other business of which due notice shall have been given.	

By order of the Board
Ng Sally (MAICSA 7060343 & PC No. 202008002702)
Goh Xin Yee (LS 0010359 & PC No. 202008000375)
Company Secretaries

31 January 2022
Kuala Lumpur

Notes :

1. A member shall be entitled to appoint up to three (3) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or at hand of an officer or attorney duly authorised.

2. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

3. The instrument of appointing a proxy shall be deposited at the Company's Share Registrar's Office at Shareworks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjourned meeting as the case may be.

4. Form of Proxy sent through facsimile transmission shall not be accepted.

5. The 17th AGM will be conducted virtually at the Broadcast Venue, the members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.

6. **GENERAL MEETING RECORD OF DEPOSITORS**
For the purposes of determining a member who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Regulation 62 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 24 February 2022. Only the Company's members whose names appear on such Record of Depositors shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on their behalf.

7. **EXPLANATORY NOTES TO SPECIAL BUSINESS**

   1) Item 1 of the Agenda

      This Agenda item is meant for discussion only, as the provision of Section 248(1) and Section 340(1)(a) of the Companies Act 2016 ("Act") does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

   2) Items 5 & 6 of the Agenda

      Section 230(1) of the Act provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 17th AGM on the Directors' remuneration in two (2) separate resolutions as below:-

      - Resolution 4 on payment of Directors' fees for the financial year ending 30 September 2022; and
      - Resolution 5 on payment of Directors' remuneration (excluding Directors' fees) for the financial period from 1 December 2021 until 28 February 2023 ("Relevant Period").

      The payment of the Directors' Fees for the financial year ending 30 September 2022 and the Directors' remuneration (excluding Directors' fees) will only be made if the proposed Resolutions 4 and 5 have been passed at the 17th AGM pursuant to Regulation 105 of the Company's Constitution and Section 230(1) of the Act.

7. **EXPLANATORY NOTES TO SPECIAL BUSINESS (CONT'D)**

2) Items 5 & 6 of the Agenda (cont'd)

The Directors' remuneration (excluding Directors' Fees) comprises the allowances and other emoluments payable to the Board of the Company and its subsidiaries as follows:-

	Executive Directors (RM)	**Independent Non-Executive Directors (RM)**	**Total (RM)**
Meeting allowance	0	19,500	19,500
Other Benefits & Emoluments	468,590	0	468,590
Total	**468,590**	**19,500**	**488,090**

The estimated total amount of Directors' remuneration (excluding Directors' Fees) for the Relevant Period of RM488,090 were determined based on the various factors including the number of scheduled meetings for the Board and Board Committees as well as the extent of involvement of the respective Directors.

Payment of Directors' Fees for the financial year ending 30 September 2022 and Directors' remuneration (excluding Directors' Fees) will be made by the Company and its subsidiaries on a quarterly basis and/or as and when incurred if the proposed Resolutions 4 and 5 have been passed at the 17th AGM. The Board is of the view that it is just and equitable for the Directors to be paid the Directors' Fees for the financial year ending 30 September 2022 and Directors' remuneration (excluding Directors' Fees) on a quarterly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout the Relevant Period. In the event where the payment of Directors' Fees for the financial year ending 30 September 2022 and Directors' remuneration (excluding Directors' Fees) payable during the above period exceeded the estimated amount sought at the 17th AGM, a shareholders' approval will be sought at the next AGM.

3) Item 8 of the Agenda

The proposed Ordinary Resolution 7, if passed, will give flexibility to the Directors of the Company to issue shares up to a maximum of ten per centum (10%) of the issued share capital of the Company at the time of such issuance of shares and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

This is the renewal of the mandate obtained from the shareholders at the last AGM held on 3 December 2020 ("the Previous Mandate").

The Company had utilised the mandate for the issuance of 116,498,000 new shares at an issue price of RM0.0618 per share under the Previous Mandate which was approved by the shareholders at the last AGM held on 3 December 2020 and total proceeds of RM7,199,576.40 was raised accordingly.

The purpose of this new general mandate is for possible fund raising exercises including but not limited to placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitons.

Statement Accompanying Notice of AGM

Pursuant to Rule 8.29 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities")

- **General Mandate for issue of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirements of Bursa Securities**

The Company has obtained the mandate for issue of shares from the shareholders at the last AGM held on 3 December 2020 ("The Previous Mandate"). The Previous Mandate has been utilised for the private placement of 10% of the issued shares of the Company ("Private Placement"). Pursuant to the Previous Mandate, the Company has undertaken a private placement exercise which has been completed on 15 January 2021 following the listing and quotation of 116,498,000 placement shares, being the first and last tranche of the private placement on the ACE Market of Bursa Securities. The Private Placement has raised a gross proceed of RM7,199,576.40 and that the details of the utilisation of the proceeds raised from the Private Placement, as at the date of the printing of this Annual Report, are as follows:-

Utilisation of proceeds	Status of Utilisation (RM'000)	Actual Utilisation (RM'000)	Amount Unutilised (RM'000)
Purchase of COVID-19 Test Kits and related equipment	4,400	4,400	0
Set up of clean room and cold storage facility	2,000	2,000	0
Working capital for the Distribution and Sale of Test Kits Business	400	400	0
Estimated expenses in relation to the Proposed Private Placement	400	400	0
Total	**7,200**	**7,200**	**0**

ADMINISTRATIVE GUIDE

Date	Time	Broadcast Venue
3 March 2022	10.00 a.m.	Lot 18.2, Level 18, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan (https://rebrand.ly/mToucheAGM)

MODE OF MEETING

In view of the COVID-19 outbreak and as part of the safety measures, the 17th Annual General Meeting ("AGM") will be conducted entirely through live streaming from the Broadcast Venue. This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers first issued by the Securities Commission Malaysia on 18 April 2020 and last revised on 16 July 2021.

The Broadcast Venue is in line with Section 327 (2) of the Companies Act, 2016 and Regulation 59 of the Company's constitution which stipulates that the Chairman shall be at the main venue of the Proposed 17th AGM. Hence, no Shareholders/Proxies will be allowed to be physically present at the Broadcast Venue on the day of the 17th AGM.

All shareholders of the Company, whether Individual Shareholders, Corporate Shareholders, Proxy Holders, Authorised Nominees or Exempt Authorised Nominees who wish to attend the 17th AGM will have to register to attend remotely by using the Remote Participation and Voting ("RPV") Platform, the details of which is set out below.

RPV

1. The 17th AGM will be conducted entirely through live streaming and online remote voting. Should you wish to attend the 17th AGM you will be required to do so by registering yourself using the RPV Platform in accordance with the instructions set out under Paragraph 3 below.

   With the RPV Platform, you may exercise your rights as a Shareholder to participate (including to pose questions to the Board of Directors ("Board") and vote at the 17th AGM.

RPV (CONT'D)

2. If a shareholder is unable to attend the 17th AGM, he/she is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

3. The procedures for the RPV in respect of the live streaming and remote voting at the 17th AGM is as follows:

Procedures		Action
Before AGM		
1.	Register as participant in Virtual 17th AGM	• Using your computer, access the registration website at https://rebrand.ly/mToucheAGM • Click on the **Register** link to register for the 17th AGM session. • If you are using mobile devices, you can also scan the QR provided on the left to access the registration page. Click Register and enter your email followed by Next to fill in your details to register for the AGM session. • Upon submission of your registration, you will receive an email notifying you that your registration has been received and is pending verification. • The event is powered by Cisco Webex. You are recommended to download and install Cisco Webex Meetings (available for PC, Mac, Android and iOS). Refer to the tutorial guide posted on the same page for assistance.
2.	Submit your online registration	• Shareholders who wish to participate and vote remotely at the AGM via RPV Facilities are required to register prior to the meeting. The registration will be open from 5.00 p.m. on Monday, 31 January 2022 and the registration will close at 10.00 a.m. on Tuesday, 1 March 2022. • Clicking on the link mentioned in item 1 will redirect you to the AGM event page. Click on the **Register** link for the online registration form. • Complete your particulars in the registration page. Your name **MUST** match your CDS account name (not applicable for proxy). • Insert your CDS account number(s) and indicate the number of shares you hold. • Read and agree to the Terms & Conditions and confirm the Declarations. • Please ensure all information given is accurate before you click Submit to register your remote participation. Failure to do so will result in your registration being rejected. • System will send an email to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors of the Company as at 24 February 2022, the system will send you an email to notify you if your registration is approved or rejected after **24 February 2022**. • If your registration is rejected, you can contact the Company's Poll Administrator or the Company for clarifications or to appeal.
On the day of AGM		
3.	Attending Virtual AGM	• Two reminder emails will be sent to your inbox. First is one day before the 17th AGM day, while the 2nd will be sent 1 hour before the 17th AGM session. • Click **Join Event** in the reminder email to participate the RPV.
4.	Participate with live video	• You will be given a short brief about the system. • Your microphone is muted throughout the whole session. • If you have any questions for the Chairman/Board, you may use the **Q&A panel** to send your questions. The Chairman/Board will try to respond to relevant questions if time permits. All relevant questions will be collected throughout the session and replied later through your registered email. • The session will be recorded. • Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.
5.	Online Remote Voting	• The Chairman will announce the commencement of the Voting session and the duration allowed at the respective 17th AGM. • The list of resolutions for voting will appear at the right-hand side of your computer screen. You are required to indicate your votes for the resolutions within the given stipulated time frame. • Click on the **Submit** button when you have completed. • Votes cannot be changed once it is submitted.
6.	End of remote participation	Upon the announcement by the Chairman on the closure of the 17th GM, the live session will end.

Proxy

Please note that if a Shareholder has submitted his/her Form of Proxy prior to the 17th AGM and subsequently decides to personally attend and participate in the 17th AGM via RPV Platform, the Shareholder must contact ShareWorks Sdn. Bhd. to revoke the appointment of his/her proxy no later than 10.00 a.m. on 1 March 2022.

Poll Voting

The voting at the 17th AGM will be conducted by poll in accordance with Rule 8.31 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed ShareWorks Sdn. Bhd. as Poll Administrator to conduct the poll by way of electronic means and SharePolls Sdn. Bhd. as Scrutineers to verify the poll results.

Shareholders can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting. The Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolution is duly passed or otherwise.

The results of the voting for all resolutions will be announced at the 17th AGM and on Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com

No Recording or Photography

Strictly NO recording or photography of the proceedings of the AGM is allowed.

No Breakfast/Lunch Packs, Door Gifts or Food Vouchers

There will be no distribution of breakfast / lunch packs, door gifts or food vouchers.

Enquiry

If you have any enquiry prior to the meeting, please contact the following officers during office hours (from 9.00 a.m. to 5.30 p.m. (Monday to Friday)):

For Registration, logging in and system related:
Mlabs Research Sdn Bhd

Name: Ms Eris / Mr Bryan / Mr Hong
Telephone No: 03 7688 1013
Email: vgm@mlabs.com

For Proxy and other matters:
ShareWorks Sdn. Bhd.

Name: Mr Wee Liam / Mr Vemalan
Telephone No: 03 6201 1120
Email: ir@shareworks.com.my

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

FORM OF PROXY

I/We .....

of .....

being a Shareholder of **MTOUCHE TECHNOLOGY BERHAD [200401017892(656395-X)]** hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)
1.			

*And/or (delete as appropriate)

2.			

*And/or (delete as appropriate)

3.			

or failing him, THE CHAIRMAN OF THE MEETING, as my/our proxy/proxies, to vote for me/us on my/our behalf at the Seventeenth Annual General Meeting ("17th AGM") of the Company which will be conducted entirely through live streaming/fully virtual from the Broadcast Venue at Lot 18.2, 18th Floor, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor (https://rebrand.ly/mToucheAGM) on Thursday, 3 March 2022 at 10.00 a.m. or at any adjournment thereof.

My/our proxy/proxies is/are to vote as indicated below:

ORDINARY RESOLUTIONS			**FOR**	**AGAINST**
Ordinary Resolution 1	-	Re-election of Ms Kunamony A/P S.Kandiah as Director		
Ordinary Resolution 2	-	Re-election of Mr Ng Kok Hok as Director		
Ordinary Resolution 3	-	Re-election of Mr Encik Khairul Azwan bin Harun as Director		
Ordinary Resolution 4	-	Payment of Directors' Fees for the financial year ending 30 September 2022		
Ordinary Resolution 5	-	Payment of Directors' remuneration (excluding Directors' fees) payable to the Board of the Company and its subsidiaries		
Ordinary Resolution 6	-	Re-appointment of Messrs Afrizan Tarmili Khairul Azhar as Auditors		
Ordinary Resolution 7	-	Authority to Issue Shares		

(Please indicate with a cross (X) in the space provided on, how you wish your vote to be casted in respect of the above resolutions. If you do not do so, the proxy may vote or abstain at his/her discretion.)

Dated this ..... day of 2022

.....

Signature/Common Seal of Shareholder

Number of shares held	
CDS Account No.	

Notes:-

1. *A member shall be entitled to appoint up to three (3) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or at hand of an officer or attorney duly authorised.*
2. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
3. *The instrument of appointing a proxy shall be deposited at the Company's Share Registrar's Office at Shareworks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjourned meeting as the case may be.*
4. *Form of Proxy sent through facsimile transmission shall not be accepted.*
5. *The 17th AGM will be conducted virtually at the Broadcast Venue, the members are advised to refer to the Administrative Guide on the registration and voting process for the said meeting.*
6. *GENERAL MEETING RECORD OF DEPOSITORS*
   For the purposes of determining a member who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Regulation 62 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 24 February 2022. Only the Company's members whose names appear on such Record of Depositors shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on their behalf.

Fold This Flap For Sealing

Then Fold Here

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MTOUCHE TECHNOLOGY BERHAD
[Registration No. 200401017892(656395-X)]

c/o Shareworks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8,
Sri Hartamas,
50480 Kuala Lumpur

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MTOUCHE TECHNOLOGY BERHAD
Registration No: 200401017892 (656395-X)

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Malaysia

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