mTouche®

MTOUCHE TECHNOLOGY BERHAD

Registration No: 200401017892 (656395-X)

ANNUAL REPORT

2021/2022

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CORPORATE INFORMATION

BOARD OF DIRECTORS

KHAIRUL AZWAN BIN HARUN
Independent Non-Executive Director/Chairman

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

AUDIT AND RISK MANAGEMENT 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 Provider

COMPANY SECRETARIES

Ng Sally
(MAICSA 7060343 & PC No. 202008002702)

Goh Xin Yee
(LS0010359 & 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

UHY (AF 1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 03-2279 3088
Fax: 03-2279 3099

CORPORATE STRUCTURE

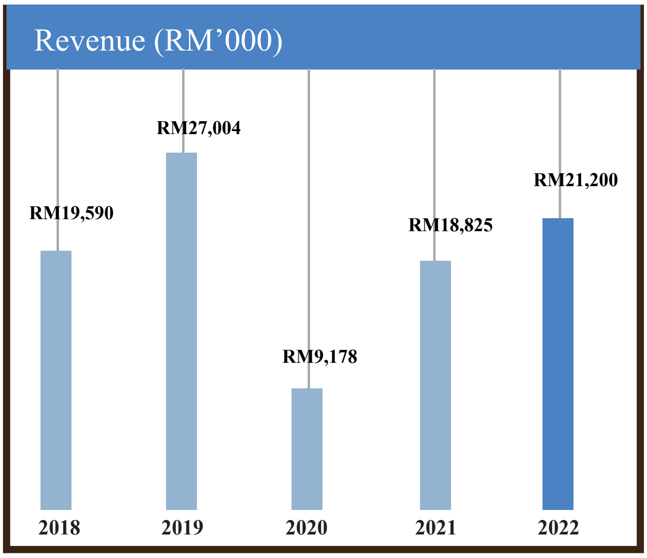
MTOUCHE TECHNOLOGY BERHAD
(INCORPORATED IN MALAYSIA)

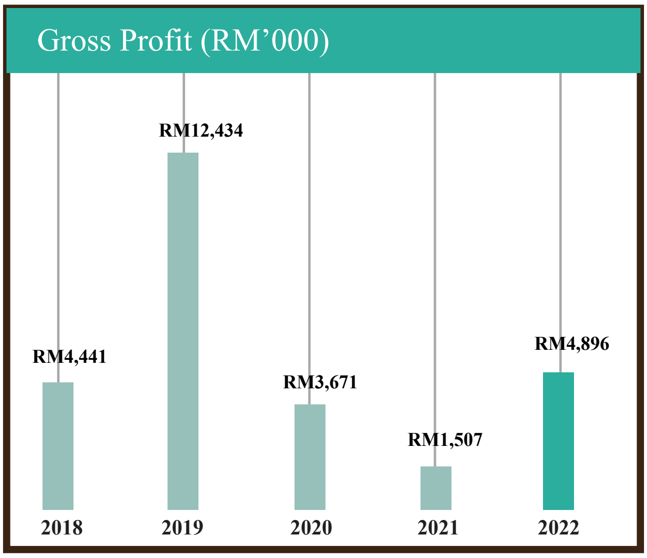
- 100% **MTOUCHE INTERNATIONAL SDN. BHD.** (INCORPORATED IN MALAYSIA)
- 100% **MTOUCHE (THAILAND) CO. LTD.** (INCORPORATED IN THAILAND)
- 49% **PT MTOUCHE** (INCORPORATED IN REPUBLIC OF INDONESIA)
- 100% **MTOUCHE (CAMBODIA) CO. LTD.** (INCORPORATED IN CAMBODIA)
- 100% **MTOUCHE (VIETNAM) CO. LTD.** (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)

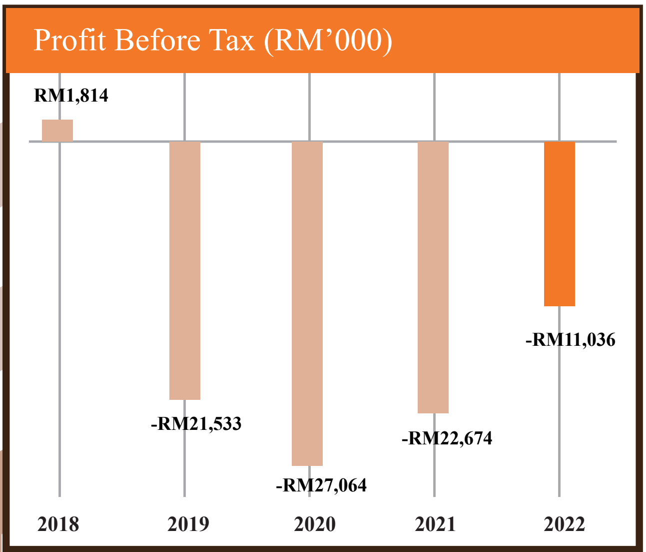
FINANCIAL HIGHLIGHTS

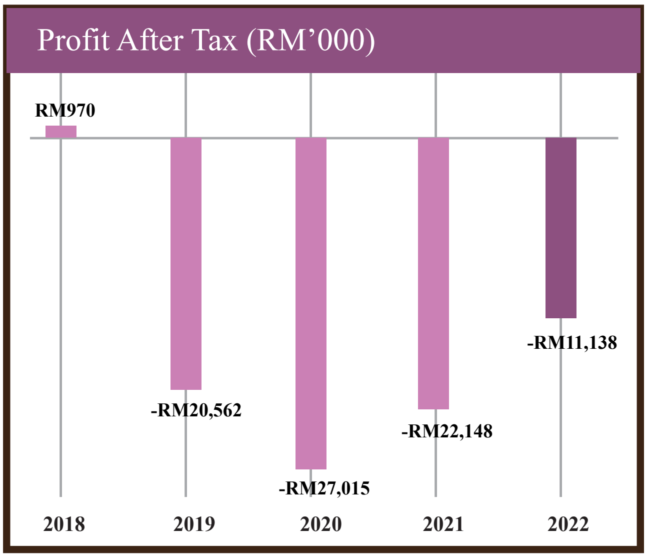
		Audited 2018	Audited 2019	Audited 2020	Audited 2021*	Audited 2022
Revenue	RM'000	19,590	27,004	9,178	18,825	**21,200**
Gross profit	RM'000	4,441	12,434	3,671	1,507	**4,896**
Gross margin	%	22.7%	46.0%	40.0%	8.0%	**23%**
Profit/(Loss) before tax ("PBT/LBT")	RM'000	1,814	(21,533)	(27,064)	(22,674)	**(11,036)**
PBT/(LBT) margin	%	9.3%	-79.7%	-294.9%	-120.4%	**-52.1%**
Profit/(Loss) after tax ("PAT/LAT")	RM'000	970	(20,562)	(27,015)	(22,148)	**(11,138)**
PAT / LAT margin	%	5.0%	-76.1%	-294.3%	-117.7%	**52.5%**
Basic earnings/(losses) per share	sen	0.38	(4.05)	(5.16)	(6.37)	**(3.14)**

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









PROFILE OF DIRECTORS AND KEY SENIOR MANAGEMENT

KHAIRUL AZWAN BIN HARUN
Independent Non-Executive Director/Chairman

Age 46, 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. En Azwan is currently the Chairman of our Remuneration Committee and also a member of our Audit and Risk Management 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 State 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 companies 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 attended four (4) Board meetings held during the financial year ended 30 September 2022.

TANG BOON KOON
Executive Director

Age 52, 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 attended all five (5) Board Meetings held during the financial year ended 30 September 2022.

CHEN HUEI PING
Executive Director

Age 30, 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 attended all five (5) Board Meetings held during the financial year ended 30 September 2022.

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

Age 71, 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 and Risk Management 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 attended all five (5) Board Meetings held during the financial year ended 30 September 2022.

NG KOK HOK
Independent Non-Executive Director

Age 61, Male, Malaysian

Mr. Ng Kok Hok ("Mr. Ng") was appointed as the Independent Non-Executive Director on 4 June 2021. Mr. Ng is currently the Chairman of our Audit and Risk Management 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. Mr. Ng has more than 30 years experience in finance, treasury and strategic management. Prior to his retirement in May 2021, he was attached to VCPlus Limited (formerly known as Anchor Resources Limited), a Singaporean Company listed on Singapore Stock Exchange as a Chief Financial Officer.

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

Mr. Ng attended all five (5) Board Meetings held during the financial year ended 30 September 2022.

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 year ended 30 September 2022.

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.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Established in 2004, mTouche Technology Berhad ("**mTouche**"/ "**Company**") is a telecommunication and media player based in Asia with operations in Malaysia, Indonesia, Thailand, Hong Kong, Vietnam and Cambodia. mTouche is 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 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 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 also involves in the over-the-top ("**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 other 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 uncertainties induced by the Coronavirus Disease 2019 ("**COVID-19**") pandemic which brings forth disruption globally with the new variants such as Delta and Omicron. People must 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.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE (CONT'D)

YEAR-ON-YEAR FINANCIAL REVIEW

The financial year end of the Group has changed from 30 June to 30 September during 2021. Hence the financial period 2021 was made up from 1 July 2020 to 30 September 2021 covering a period of fifteen (15) months ("**FPE 2021**").

	Audited FYE 2022 RM'000	Audited FPE 2021 RM'000	Variance RM'000	%
Our financial performance				
Revenue	21,200	18,825	2,375	12.6
Gross profit ("**GP**")	4,896	1,507	3,389	224.9
Loss before tax ("**LBT**")	(11,036)	(22,674)	11,638	(51.3)
Loss after tax ("**LAT**")	(11,138)	(22,148)	11,010	(49.7)
GP margin (%)	23.0	8.0	15.0 bp	187.5
LBT margin (%)	(52.1)	(120.4)	68.3 bp	(56.7)
LAT margin (%)	(52.5)	(117.7)	65.2 bp	(55.4)

Revenue by segment	Audited FYE 2022 RM'000	Audited FPE 2021 RM'000	Variance RM'000	%
Matured markets	20,494	16,212	4,282	26.4
Emerging markets	706	2,613	(1,907)	(73.0)
	21,200	18,825	2,375	46.6

The Group's revenue for financial year ended 30 September 2022 ("**FYE 2022**") recorded at RM19.74 million, representing an increase of RM2.38 million or approximately 12.6%, compared to FPE 2021 of RM18.83 million.

The increase in revenue was largely contributed by mobile messaging technologies, billing platforms, interactive media solutions based on wireless and internet technology, improved messaging content services as well as sales of automated fare collection system.

Revenue from matured markets such as Malaysia, Thailand and Hong Kong continues to form the most of the Group's total revenue, which is at 97.2% (FPE 2021: 86.1%) of total revenue. The Group reported a year-on-year ("YoY') increase in revenue of RM4.28 million or 26.4% in matured markets, which was mainly contributed by Thailand market.

<u>Gross profit</u>

With the increase in revenue, the Group recorded a GP of RM4.90 million, representing a tremendous increase of RM3.39 million or 224.9% compared to FPE 2021 of RM1.51 million, which was mainly due to higher profit margin from the services and solutions provided.

<u>Loss before tax</u>

The Group reported LBT of RM10.30 million in FYE 2022 as compared to RM22.67 million in FPE 2021 with an improvement of RM11.64 million. This was partially contributed with the improved gross profit margin as above mentioned, unrealized forex gain of RM4.10 million and reduction in share-based payment under mTouche's employee share option scheme ("ESOS") amounted to RM4.59 million in FPE 2021 (FYE 2022: Nil)

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE (CONT'D)

YEAR-ON-YEAR FINANCIAL REVIEW (CONT'D)

Loss after tax

Consistent with the above analysed LBT, the Group recorded a LAT of RM11.14 million in FYE 2022 which was lower than the LBT of RM22.15 million in FPE 2021 by RM11.01 million.

	Audited 30 September 2022 RM'000	Audited 30 September 2021 RM'000	Variance RM'000	%
Our financial position				
Non-current assets	44,783	33,009	11,774	35.67
Current assets	105,759	133,817	(28,058)	(20.97)
Non-current liabilities	967	959	8	0.83
Current liabilities	4,806	7,504	(2,698)	(35.96)
Total equity	144,769	158,363	(13,594)	(8.58)

Assets

Non-current assets comprising intangible assets, property, plant and equipment, deferred tax assets as well as right-of-use assets. The non-current assets reported an increase from RM33.01 million as at 30 September 2021 to RM44.78 million as at 30 September 2022, which largely resulted from increase in property, plant and equipment of RM17.99 million offset with the reduction in intangible assets of RM5.58 million. The Group had on 3 June 2022 entered into two Sales and Purchase Agreements with BRDB Development Sdn. Bhd. to acquire two units of retail/office premises at a total consideration of RM17.90 million which is part of the Group's diversification plan to venture into the wellness business to establish and operate an all-in-one health and wellness studio in Malaysia, where consumers can seek for their wellness, recovery and fitness needs all under the same roof.

Current assets decreased from RM133.82 million as at 30 September 2021 to RM105.76 million as at 30 September 2022, which was mainly contributed by the decrease in cash and bank balances of RM34.96 million largely due to the abovementioned investment made in June 2022.

Liabilities

Non-current liabilities comprising lease liabilities and defined benefits obligations, which stood at RM0.97 million as at 30 September 2022, which is slightly higher than RM0.96 million reported as at 30 September 2021.

Current liabilities comprising mainly trade payables, other payables as well as lease liabilities, which decreased by RM2.69 million or 35.7% YoY to RM4.81 million as at 30 September 2022 (30 September 2021: RM7.50 million). The said decrease was largely due to the decrease in trade and other payables from RM7.13 million as at 30 September 2021 to RM4.70 million as at 30 September 2022, which was due to prompt payment to suppliers.

Liquidity, capital resources and gearing

As at 30 September 2022, cash and cash equivalents decreased by RM34.96 million or 34.5% compared to RM101.30 million as at 30 September 2021.

Net cash used in operating activities recorded at RM14.83 million in FYE 2022 which was largely due to loss from operation as well as increase in receivables which was in line with the increase in revenue.

Net cash used in investing activities reported a significant increase from RM1.81 million as at 30 September 2021 to RM19.02 million as at 30 September 2022 which mainly due to the acquisition of property, plant and equipment as above mentioned.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE (CONT'D)

YEAR-ON-YEAR FINANCIAL REVIEW (CONT'D)

Liquidity, capital resources and gearing (cont'd)

Net cash used in financing activities reported at RM0.62 million as at 30 September 2022 as compared to net cash generated from financing activities of RM115.69 million as at 30 September 2021, which mainly contributed by higher proceeds from issuance of new shares during FPE 2021.

The Group has no long term borrowings as at 30 September 2022. 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 corporate exercise, bank overdraft and 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.

Whereas for capital commitments, we do not enter into any capital expenditure agreement as of 30 September 2022.

REVIEW OF OPERATING ACTIVITIES

Corporate Developments

Our wholly-owned subsidiary, mTouche International Sdn. Bhd. had on 3 June 2022 entered into two Sale and Purchase Agreements with BRDB Developments Sdn. Bhd. to acquire the two units of retail/office premises/space for a total consideration of RM17.90 million. The properties are located within a high-rise mixed development known as "TROIKA" located at Jalan Binjai, Kuala Lumpur comprising three tower blocks of residential and service apartment parcels and parcels of commercial premises/space located within a podium and a sky lobby. The rationale of the acquisition of properties is for venturing into the wellness business to establish and operate an all-in-one health and wellness studio in Malaysia, where consumers can seek for their wellness, recovery and fitness needs all under the same roof.

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:-

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

The Company has fully utilised the proceeds raised for its intended purposes including the balance proceeds of RM7.50 million that was allocated for the acquisition of new office premises on 3 June 2022 as above mentioned.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE (CONT'D)

REVIEW OF OPERATING ACTIVITIES (CONT'D)

Corporate Exercises (cont'd)

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 II**"). The Proposals II 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:-

- expansion of the distribution and sales of test kits business;
- funding for the wellness business;
- working capital; and
- 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 Disclosure Requirements on page 31 to 32 of this Annual Report.

RISK PROFILES

Amid the backdrops of the COVID-19 pandemic, 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, if any, have also been disclosed below:-

a) 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 provision of mobile value-added services (e.g. Bulk SMS) 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 as well as negatively impact Group Revenue 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 relating to our business.

b) 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.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE (CONT'D)

RISK PROFILES (CONT'D)

Amid the backdrops of the COVID-19 pandemic, 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, if any, have also been disclosed below:- (cont'd)

c) 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 research and development activities in order to remain technologically relevant and meet market's expectations.

d) 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 and Wellness Business as well as to hire and set up the marketing and operations team with relevant skillset to our Group in the new business.

e) Credit risks

The COVID-19 pandemic has affected our Group's business as we are exposed to credit risk due to slowdown in the collection of payments.

The Group evaluated the likelihood of the severity and impact of COVID-19 pandemic and concluded that the COVID-19 pandemic would not significantly affect the expected credit loss of financial assets.

f) Competition risks

The Group's revenue and profitability are exposed to the risk of uncertainty arising from global and local economic conditions affected by the COVID-19 pandemic. Furthermore, we continue to face competition from existing and new competitors who may be capable of offering similar services and products. 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 products through stringent quality assurance procedures. We also continuously place importance on improving our products by investing in market research and product development activities.

MANAGEMENT DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE (CONT'D)

FORWARD-LOOKING STATEMENT

Malaysia's economy has been on a strong recovery path since the opening of borders in April 2022. It is projected that the recovery will extend into the second half of 2022, though at a slower pace tempered by global headwinds. The economic recovery was tempered by the conflict in Ukraine, intermittent COVID-19 containment measures in the People's Republic of China and widespread inflationary pressures affecting many countries that would potentially erode purchasing power, leading to a drastic drop in consumer spending.

The Group expects the business to remain challenging and competitive, hence the main aim of the operational reviews will be to rationalise existing revenue portfolio and achieve cost efficiency in the midst of the ongoing uncertainties induced shifts in customers' behaviours and employee's expectations. The Group will keep putting more effort into streamlining its operations, pursuing improvements in its good and services along with other initiatives like brand-rebuilding, continuing to release new apps to meet consumer demand and increasing operational effectiveness.

The Group recently purchased two lots of commercial properties at Troika KLCC, which is strategically located at KL City Centre for the Group's long-term sustainable recurring income business. This was done as part of the Group's diversification into Healthcare related businesses to set up its Lifestyle Wellness and Recovery services. The Group observes 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. Meanwhile, the demand for COVID-19 test kits sold by the Group has decreased, and there is now more competition from other distributors and a lower profit margin.

The Group will continue to focus and navigate through the ever-changing business environment to ensure the Group remains resilient.

DIVIDENDS

The Group's ongoing initiatives to build a more resilient business operations will bear fruit in the longer term. Hence, it is instrumental for the Group to conserve fund for future expenditures as well as to maintain a strong buffer against any potential shocks, considering the increasing market challenges and economic slowdown. Henceforth, after due consideration, the Board has decided not to recommend the payment of any dividend for FYE 2022.

The Board also wishes to reiterate that the payment of dividends would be resumed at the earliest possible opportunity, once the Board deems the Group to be in a comfortable position to distribute dividends.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 2021 issued by the Securities Commission of Malaysia on 28 April 2021 ("MCCG 2021") during the financial year ended 30 September 2022 ("FYE2022") 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 2021 during FYE2022.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Part I - 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)

Part I - Board Responsibilities (cont'd)

1. Board's 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 and Risk Management Committee ("ARMC"), 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 FYE2022, 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 are constructively challenge and contributes to the development of strategy.

The Chairman is responsible to ensure the Board decisions 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. 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)

Part I - Board Responsibilities (cont'd)

1. Board's 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 act as 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 advice 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 2021 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 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)

Part I - Board Responsibilities (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 24 November 2022. 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 ARMC 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)

Part I - Board Responsibilities (cont'd)

3. Promoting good business conduct and corporate structure (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 ARMC, 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 Polices")

The Board had on 29 May 2020 adopted the ABAC Polices 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 Polices is made available on the Company's website at https://www.mtouche.com.

3.4 Director's Fit and Proper Policy

In line with the amendment to the Listing Requirements, the Board had on 1 July 2022 approved and adopted the Directors' Fit and Proper Policy which outlined the fit and proper criteria for the appointment and re-appointment of Directors on the Board of the Company.

The said policy is devised to ensure that each of Directors has the character, experience, integrity, competence and capability, financial soundness and time to effectively discharge his/her role as a Director of the Company and its subsidiary. A copy of the Directors' Fit and Proper Policy 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 2021 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 area 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Part II - Board Responsibilities (cont'd)

4. Strengthen board's objectivity (cont'd)

4.3 Policy of independent director's tenure

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 nine (9) years, the Board will seek shareholders' approval through a two-tier voting process.

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 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 2021 to have female directors. The Board had established a Board Diversity Policy as set out in the Board Charter of the Company, which is available on the corporate website.

The Board currently has one (1) female director, 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 2021.

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)
Part II - Board Responsibilities (cont'd)
4. Strengthen board's objectivity (cont'd)
4.5 Gender diversity (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
Other	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)
Part II - Board Responsibilities (cont'd)
4. Strengthen board's objectivity (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 FYE2022 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 the Directors who are due for retirement by rotation at the 17th AGM; and
- Recommended suitable educational and training programmes for continuous development of the directors.

The NC had undertaken a review and assessment of the level of independence of the Independent Directors during the FYE2022 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, Mr. Tang Boon Koon and Mr. Chen Huei Ping are subject to retirement by rotation at the forthcoming 18th AGM and they have expressed their willingness to seek for re-election at the 18th AGM.

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

Part II - Board Responsibilities (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 FYE2022, the NC was satisfied with the existing Board composition and concluded that each Director has the requisite competence to serve on the Board and has sufficiently demonstrated his/her 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 year under review, as set out in the table below:

Composition and meeting attendance held in the FYE2022

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	4/4	4/4	1/1	1/1	1/1
Kunamony A/P S.Kandiah	Senior Independent Non-Executive Director	5/5	5/5	1/1	1/1	1/1
Ng Kok Hok	Independent Non-Executive Director	5/5	5/5	1/1	1/1	1/1
Tang Boon Koon	Executive Director	5/5	-	-	-	1/1
Chen Huei Ping	Executive Director	5/5	-	-	-	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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)
Part II - Board Responsibilities (cont'd)
5. Board effectiveness (cont'd)
5.1 Board assessment (cont'd)

Details of the internal or external training programmes, seminars and/or conferences attended by the Directors at the end of FYE2022 were as follows:

Directors	Training Programmes/Seminars/Conferences
Khairul Azwan bin Harun	• Transactions & RPT Rules Simplified
Kunamony A/P S.Kandiah	• MSWG Webinar – The Updated Malaysian Code on Corporate Governance (MCCG)
Ng Kok Hok	• Complimentary Luncheon Talk: Next Generation Financial Budgeting, Planning & Consolidation with IBM Data & AI Solution • Virtual CFO Event Considering IFRIC Agenda Decisions and other Hot Topics In MFRS Financial Reporting
Tang Boon Koon	• Sharpening Your Business Communication
Chen Huei Ping	• Sharpening Your Business Communication

The Company will continue to identify suitable training for the Directors to equip and update themselves with the necessary knowledge in discharging their duties and responsibilities as Directors.

The Directors are encouraged to attend briefing, conferences, forums, trade fairs (locally and internationally), seminars and training to keep abreast with the latest developments in the industry and to enhance their skills and knowledge.

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.

Encik Khairul Azwan bin Harun, Independent Non-Executive Director, is the Chairman of the RC and the RC comprises exclusively of Independent Directors. The RC is guided by its terms of reference, which is available on the Company's website. The Terms of Reference of the RC was last reviewed and revised on 18 January 2023.

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.

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 will 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.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)
Part III - Remuneration (cont'd)

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 FYE2022 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	354,750	156,000	354,750	156,000
Salaries / Bonuses	269,500	-	269,500	-
Other emoluments	395,950	27,500	395,950	27,500
Total	1,020,200	183,500	1,020,200	183,500

ii) **Analysis of Directors' Remuneration**

Total remuneration of Directors in respect of the FYE2022, 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	-	1	-	1
50,001 – 100,000	-	2	-	2
100,001 – 150,000	-	-	-	-
150,001 - 200,000	-	-	-	-
200,001 – 250,000	-	-	-	-
More than 250,000	2	-	2	-

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)
Part III- Remuneration (cont'd)
7. Remuneration of directors and senior management (cont'd)
7.1 Detailed disclosure of directors' remuneration (cont'd)

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	354,750	55,000	-	317,106	726,856
Chen Huei Ping	-	214,500	28,808	50,036	293,344
Total	354,750	269,500	28,808	367,142	1,020,200
Non-Executive Directors					
Khairul Azwan bin Harun *(Appointed on 13 January 2022)*	45,000	-	-	8,500	53,500
Kunamony A/P S.Kandiah	55,500	-	-	9,500	65,000
Ng Kok Hok	55,500	-	-	9,500	65,000
Total	156,000	-	-	27,500	183,500

* Benefits include insurance premium, company car instalment paid by the Company and meeting allowances, if any.

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	354,750	55,000	-	317,106	726,856
Chen Huei Ping	-	214,500	28,808	50,036	293,344
Total	354,750	269,500	28,808	367,142	1,020,200
Non-Executive Directors					
Khairul Azwan bin Harun *(Appointed on 13 January 2022)*	45,000	-	-	8,500	53,500
Kunamony A/P S.Kandiah	55,500	-	-	9,500	65,000
Ng Kok Hok	55,500	-	-	9,500	65,000
Total	156,000	-	-	27,500	183,500

* Benefits include insurance premium, company car instalment paid by the Company and meeting allowances, if any.

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

Part III- Remuneration (cont'd)

7. Remuneration of directors and senior management (cont'd)

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

On 24 November 2022, the AC was renamed as Audit and Risk Management Committee ("ARMC") to reflect the ARMC's role to support the Board in fulfilling its responsibility in governance of the Company's risk management matters, in line with the recommendation of the MCCG 2021.

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

8.2 Key audit partner

The ARMC has set out in its Terms of Reference that key audit partner should observe a cooling-off period of at least three (3) years before being appointed a member of the Audit Committee in accordance with Practice 9 of MCCG 2021. Nonetheless, none of the current members of the ARMC is a former key audit partner involved in auditing the Group.

The Terms of Reference of the ARMC which was reviewed and revised on 18 January 2023, is available on the Company's website at https://www.mtouche.com.

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

Part I - AC (cont'd)

8. AC (cont'd)

8.3 External auditor

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

The ARMC'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 ARMC shall seek confirmation from the external auditors as to their independence. This independence confirmation would be re-affirmed by the external auditors to the ARMC upon their completion of the annual audit. These confirmations were made pursuant to the independence guidelines of the Malaysian Institute of Accountants.

During FYE2022, there was a change of external auditors of the Company and its subsidiary from Messrs. Afrizan Tarmili Khairul Azhar PLT to Messrs. UHY and the external auditors had private sessions with the ARMC without the presence of Management to exchange views and opinions in relation to the Group's audit and financial reporting.

In addition, the ARMC 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 ARMC and members of the ARMC.

Based on the ARMC'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 FYE2022. 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 18th AGM.

Further details on the work performed by ARMC in furtherance of its oversight role are set out in the ARMC Report on pages 34 to 36 of this Annual Report.

8.4 Independence of the ARMC

The ARMC complies with the recommendation of the MCCG 2021 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 ARMC 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 members are disclosed in the Profile of Directors in the Annual Report.

All members of the ARMC 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 ARMC members during the financial year under review is set out in this Annual Report.

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

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 ARMC 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 ARMC 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 ARMC 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, namely Kloo Point Risk Management Services Sdn. Bhd. ("Kloo Point") to assist the ARMC 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 FYE2022 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 37 to 40 of this Annual Report.

10. Internal audit function

As for the adequacy and effectiveness of the risk management and system of internal control, it is reviewed by the ARMC with assistance from the internal auditors. Kloo Point was also appointed 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 ARMC. 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 ARMC, 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 ARMC for review and Management is required to be present at ARMC 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)
Part II - Risk Management and Internal Control Framework (cont'd)
10. Internal audit function (cont'd)

During the financial year under review, the internal auditors have conducted review on the Group in accordance with the Internal Audit Plans prepared in accordance with International Standards for the Professional Practice of Internal Auditing, which have been approved by the ARMC. 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 ARMC Report on pages 34 to 37 of this Annual Report which provides the overview of the internal control framework adopted by the Company during FYE2022.

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 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 would be released after having reviewed by the ED and/or the Board where necessary.

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 ARMC 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 ARMC Chairman is contactable via his e-mail at kokhok@mtouche.com.

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

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 18th AGM and the Annual Report are to be 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 was approved Board on 30 January 2023.

ADDITIONAL DISCLOSURE REQUIREMENTS
Pursuant To Appendix 9C Of The Ace Market Listing Requirements Of Bursa Malaysia Securities Berhad

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

Right 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 2022, are as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised Proceeds RM'000	Intended Timeframe for Utilisation
Upgrading of Existing Mobile Value-Added Service Platform	2,500	2,500	-	Within 12 months
Development of a Mobile Digital Ecosystem Platform	7,500	7,500	-	Within 18 months
Working Capital	3,035	3,035	-	Within 24 months
Acquisition of New Office Premises	7,500	7,500	-	Within 60 months*
Regional Business Expansion	12,000	12,000	-	Within 24 months
Acquisition and/or Investment in Other Complementary Business and/or Assets	42,708	42,708	-	Within 24 months
Expenses in relation to the Corporate Exercise	1,000	1,000	-	Immediate
Total	**76,243**	**76,243**	**-**	

* 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 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 2022 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	7,421	-	Within 24 months
Expenses in relation to the Proposed Private Placement	200	200	-	Immediate
Total	14,821	14,821	-	

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS (CONT'D)

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 2022 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	2,000	-	Within 12 months
Working Capital for the Distribution and Sale of Test Kits Business	400	400	-	Within 24 months
Expenses in relation to the Proposed Private Placement	400	400	-	Immediate
Total	**7,200**	**7,200**	**-**	

Right 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 2022 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	3,130	9,302	Within 24 months
Expenses in relation to the Corporate Exercise	1,000	1,000	-	Immediate
Total	**79,432**	**14,130**	**65,302**	

MATERIAL CONTRACTS

Neither the Company nor any of its subsidiary companies have entered into any material contracts which involved the Directors' and/or major shareholders' interests, which were still subsisting at the end of financial year ended 30 September 2022 ("**FYE 2022**") or which were entered into since the end of financial period ended 30 September 2021.

AUDIT AND NON-AUDIT FEES

The audit fees paid or payable by the Company and the Group to the external auditors for FYE 2022 amounted to RM200,000 and RM302,976 respectively. As for non-audit fees incurred for services rendered to the Company and the Group by the external auditors or a firm or corporation affiliated to the external auditors during FYE 2022, the amount concerned was RM5,000 and RM5,000 respectively for the Company and the Group.

ADDITIONAL DISCLOSURE REQUIREMENTS (CONT'D)

Pursuant To Appendix 9C Of The Ace Market Listing Requirements Of Bursa Malaysia Securities Berhad

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 30 September 2022, no options or shares has been offered to employees under the ESOS.

There is no ESOS in existence during the financial year ended 30 September 2022 with information as follows:-

Total number of options / shares outstanding as at 1 October 2021	Total number of options exercised during the financial period ended 30 September 2022	Total number of options / shares granted during the financial period ended 30 September 2022	Total options/ shares outstanding as at 30 September 2022
-	-	-	-

Options granted to Directors and Chief Executive

Total number of options / shares outstanding as at 1 October 2021	Aggregate options exercised or vested during the financial period ended 30 September 2022	Aggregate options / shares granted during the financial period ended 30 September 2022	Aggregate options/ shares outstanding as at 30 September 2022
-	-	-	-

Options granted to Directors and Senior Management

	During the financial year ended 30 September 2022	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 13.01.2022)*	Nil	Nil
Ng Kok Hok	Nil	Nil
Tang Boon Koon	Nil	Nil
Chen Huei Ping	Nil	Nil
Kunamony A/P S.Kandiah	Nil	Nil

The ESOS was expired on 12 November 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

On 24 November 2022, the Audit Committee was renamed as Audit and Risk Management Committee ("ARMC") to reflect the ARMC's role to support the Board in fulfilling its responsibility in governance of the Company's risk management matters, in line with the recommendation of the MCCG.

The ARMC 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;
- Overseeing financial reporting and internal controls; and
- Evaluating the internal and external audit processes

The ARMC is guided by its terms of reference ("**TOR**") which can be viewed on the Company's website at www.mtouche.com.

Complying to Rule 15.20 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board has, through Nomination Committee, reviewed the terms of office and performance of the ARMC members annually through the ARMC Evaluation Form. The Board is satisfied that for the financial year ended 30 September 2022 ("**FYE 2022**"), the ARMC members have been able to discharge their functions, duties and responsibilities in accordance with the TOR.

MEMBERSHIP AND MEETINGS

The members of the ARMC during FYE 2022 and as of the date of this Report together with their attendance record at ARMC meetings held during FYE 2022 are as follows:

Name	Designation	Status of Directorship	No. of meetings attended/ No. of meetings held*
Ng Kok Hok**	Chairman	Independent Non-Executive Director	5/5
Kunamony A/P S.Kandiah	Member	Senior Independent Non-Executive Director	5/5
Khairul Azwan Bin Harun *(Appointed w.e.f. 13 January 2022)*	Member	Independent Non-Executive Director	4/4

* *Number of meetings held during the respective member's tenure of office during FYE 2022*
** *A member of the Malaysian Institute of Accountants*

Whilst the ARMC's TOR requires the ARMC to meet at least (4) four times in a financial year, it met five (5) times during FYE 2022. The Company Secretaries who are also the secretaries to the ARMC was in attendance during the meetings.

Executive Directors and Senior Management, if necessary, were invited to the meetings to deliberate on matters within their purview. The external auditors are also invited to attend the ARMC meetings to present their audit plan and audit findings, and to assist the ARMC in its review of the year-end financial statements.

The ARMC Chairman engages on a continuous basis with Executive Directors and Senior Management, the external and internal auditors to keep abreast of matters affecting the Group. Where significant issues are noted, the ARMC Chairman communicates and confers with the other members, either through emails or in meetings. After each meeting, the ARMC Chairman submits a report on matters deliberated to the Board for their reference and notation. Matters reserved for the Board's approval are tabled at Board meetings. The Company Secretaries document the decisions made and actions required and forward them to Executive Directors and Senior Management for their action.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES

The following activities were carried out by the ARMC in the discharge of its functions and duties to meet its responsibilities during FYE 2022:

(a) Financial Results

- Reviewed and recommended the quarterly financial results of the Group (including announcements) and the annual financial statements of the Group and Company for Board's approval.
- Deliberated on significant matters raised by the external auditors including financial reporting issues, significant judgements made by Executive Directors and Senior Management, significant and unusual events or transactions and management's reports and updates on actions recommended by the external auditors for improvement.
- Deliberated on changes in or implementation of major accounting changes and compliance with accounting standards and other legal requirements.

(b) External Audit

- Considered the nomination of new external auditors before recommending them to the Board for consideration.
- Reviewed and approved the external auditors' scope of work and audit plan prior to commencement of the annual audit.
- Analysed and reviewed the proposed external audit fees for approval of the Board.
- Analysed and reviewed the non-audit fees and related costs in respect of non-audit services rendered by the external auditors to ensure that their independence is not impaired.
- Reviewed and discussed with the external auditors, the changes in or implementation of major accounting policies, significant matters arising from the audit, significant judgements made by Executive Directors and Senior Management, significant and unusual events or transactions and compliance with accounting standards and other legal and regulatory requirements and how all these matters are dealt with and the audit report, and reported the same to the Board.
- Evaluated the performance, suitability and independence of the external auditors and recommended their re-appointment to the Board for approval.
- Met with the external auditors without the presence of Executive Directors and Senior 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 and issues arising during the course of audit.
- Reviewed the adequacy and effectiveness of corrective actions taken by Executive Directors and Senior Management on all significant matters raised by the internal auditors.
- Reviewed and recommended the proposed internal auditors' fees to the Board for approval.
- Evaluated the competency of the internal auditors and their resources to address the risk areas set out in their audit plan.
- Met the internal auditors to have a frank and candid dialogue, and to exchange free and honest views and opinions.

(d) Related Party Transactions/Recurrent Related Party Transactions

Reviewed significant related party transactions/recurrent related party transactions and conflicts of interest that may arise including any transaction, procedure or course of action or conduct that raised questions of Executive Directors and Senior Management's integrity.

(e) Annual Report

- Reviewed and issued this Report for inclusion in the Annual Report.
- Reviewed the Statement on Risk Management and Internal Control, Corporate Governance Overview Statement and Management Discussion and Analysis of Business Operations and Financial Performance on behalf of the Board for inclusion in the Annual Report and the Corporate Governance Report.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional consulting firm to assist the ARMC in discharging their responsibilities and duties. The role of the internal audit function is to undertake independent regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that such systems continue to operate satisfactory and effectively in the Group.

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

The internal auditors also carried out follow-up review to monitor the implementation of the said action plans and measures for reporting to the ARMC.

For FYE 2022, the internal audit scope covered the review of the Mobile Service / Program Management of mTouche (Thailand) Co., Ltd in accordance with the internal audit plan approved by the ARMC, as follows:

- Compliance with established policies and procedures/ methodology;
- Program communication, documentation and traffic reporting system;
- Program monitoring and billing process; and
- Contract management.

Recommendation for improvement has been put forward for the Board and ARMC's consideration.

The total costs paid or payable for the internal audit function for FYE 2022 was RM13,000.

NG KOK HOK
Chairman of Audit and Risk Management Committee
30 January 2023

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 ("**AMLR**").

BOARD'S RESPONSIBILITY

The Board of Directors (**"Board**") acknowledges that risk management and internal controls are integral to corporate governance and that it is responsible for establishing a sound risk management framework and internal controls system as well as to ensure their adequacy and effectiveness. The Board recognises that the Group's risk management framework and internal controls system are designed to manage the Group's risks within its acceptable risk appetite, rather than to eliminate the risk of failure to achieve the Group's business and corporate objectives. As risks are inherent in all business activities, the said framework and system 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 or regulations.

The Board confirms that there is an ongoing risk management process established to identify, evaluate and manage significant risks to mitigate the risks that may impede the achievement of the Group's business and corporate objectives.

The review of the adequacy and effectiveness of the risk management framework and the system of internal controls is delegated by the Board to the Audit and Risk Management Committee ("**ARMC**").

RISK MANAGEMENT PROCESS

The risk management framework adopts a structured and integrated approach in managing key business risks to safeguard the Group's assets and shareholders' interests.

The ARMC reviews the adequacy and effectiveness of the risk management process. In this respect, it is assisted by the Executive Directors to identify and assess risks as well as to ensure that the risk management process is adequate and effective. All policies and procedures formulated to identify, measure and monitor various risk components are reviewed by the ARMC. Additionally, the ARMC reviews and assesses the adequacy of the risk management policies and ensures that the infrastructure, resources and systems are in-place for implementing the risk management process.

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; and
- 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 year.

During the financial year under review, management with the assistance of the internal audit consultants has performed a risk management review which includes the following:-

- Defining a yearly understanding of risk classification tolerance;
- Identifying key risk affecting business objectives and strategic plans;
- Identifying changes to risks or emerging risks and promptly bringing these to the attention of the Board where appropriate; and
- Identifying and evaluating existing controls

RISK MANAGEMENT PROCESS (CONT'D)

The members of the ARMC during the financial year ended 30 September 2022 ("**FYE 2022**") and as at the date of this Statement were:

Ng Kok Hok – *Chairman (Independent Non-Executive Director)*

Kunamony A/P S.Kandiah *(Senior Independent Non-Executive Director)*

Khairul Azwan Bin Harun *(Independent Non-Executive Director)*
(appointed w.e.f. 13 January 2022)

The risk management process involves the key management staff in each functional or operating unit of the Group and is managed by the ARMC with assistance from the Executive Director, Regional Director and the Financial Controller. The risks identified by the external consultants remain the foundation in developing a risk profile and the action plans to assist Executive Management to manage and respond to these risks.

The risk management framework establishes the context of risk in relation to the Group's business and sets out the process for risk identification, measurement and treatment with continuous monitoring, review and communication. The risks identified will then be consolidated and presented for deliberation during ARMC meeting. In this respect, key business risks were identified or reaffirmed. Following this, Executive Management together with the ARMC developed standard operating procedures to manage these risks.

The business and group's activities are subject to a variety of risk. The Board regularly reviews the risk summarized below:-

i. Strategic risk

   Strategic risks are external events that have the potential to materially affect the achievement of Board's strategic objectives which is beyond the Board's control. The Board monitors the risk regularly.

ii. Legal and regulatory

   The related laws and regulatory requirement of which the Group (both local and foreign operations) must comply in its day-to-day operation. The management of the legal and regulatory risk are mainly reviewed and monitored at the respective company subsidiary.

iii. Customer risk

   The Group is exposed to customer risk as dependent on certain specific customer base which implications for business viability. Management maintains good relationship with existing customers and expand to new market through agency or local consultants.

iv. Information technology risk

   The Group is exposed to various information technology risks. This includes potential risks such as network security risk, data protection risk and cyber security risk. These risks are mitigated through regular monitoring and relevant action plans such as installation of firewall, use of secure programming, perform periodic data backup, etc.

Appropriate mitigating activities and control procedures are also put in place to deal with any deficiencies identified.

INTERNAL CONTROL SYSTEM

The Board acknowledges the importance of the internal audit function and is committed to articulating, implementing and reviewing the Group's system of internal controls. The internal audit function has been outsourced to an independent professional service provider to assist the Board as well as the ARMC in discharging their responsibilities and duties. To ensure independence, the internal auditors report directly to the ARMC.

The internal audit of the Group is carried out in accordance with a risk-based audit plan approved by ARMC. The internal audit provides an assessment of the adequacy, efficiency and effectiveness of the Group's system of internal controls.

For the financial year, the outsourced internal audit function has carried out the audit on Thailand operations-mobile service/ program management based on the internal audit plan approved by the ARMC.

The audit findings and relevant recommended improvements are presented to the ARMC during their quarterly meetings. In addition, the internal auditors also perform follow-up reviews to ensure that recommendations for improvements are implemented.

The key elements of the internal controls system of the Group include:

1. An organisation structure with defined lines of responsibility, authority and accountability;

2. Approval and authority limits are imposed on senior management in respect of day-to-day operations as well as major non-operating transactions;

3. Formalised standard operating procedures are in place to ensure compliance with internal controls and the relevant laws and regulations;

4. The Board and the ARMC meet at least every quarter to discuss the Group's financial performance, business operations and strategies, corporate updates and internal audit findings, if any;

5. Management financial statements and reports are prepared periodically for monitoring of actual performance by the Executive Directors and senior management;

6. Key functions such as finance, taxation, treasury, corporate secretarial and compliance and legal matters are controlled centrally;

7. A fully independent ARMC comprising exclusively Independent Directors with full and unrestricted access to both internal and external auditors; and

8. The quarterly financial results and yearly audited financial statements reviewed by the ARMC prior to their approval by the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

MANAGEMENT'S RESPONSIBILITIES

The Board has reviewed the adequacy and effectiveness of the Group's risk management framework and system of internal controls for FYE 2022 and up to the date of this Statement and is of the view that the risk management process and system of internal controls are in place for the period.

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

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

The Board and Executive Management will continuously review and evaluate risks to ensure shareholders' interests and the Group's assets are safe guarded.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Rule 15.23 of the AMLR, 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 controls. 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 30 January 2023.

SUSTAINABILITY STATEMENT

This Sustainability Statement (“Statement”) elaborates mTouche Technology Berhad (“**mTouche**”/ “**Company**”)’s concepts, practices and achievements of its sustainable development and social responsibility during the financial year ended 30 September 2022 from the economic, environmental and social (“**EES**”) as well as governance aspects.

Scope of the Statement

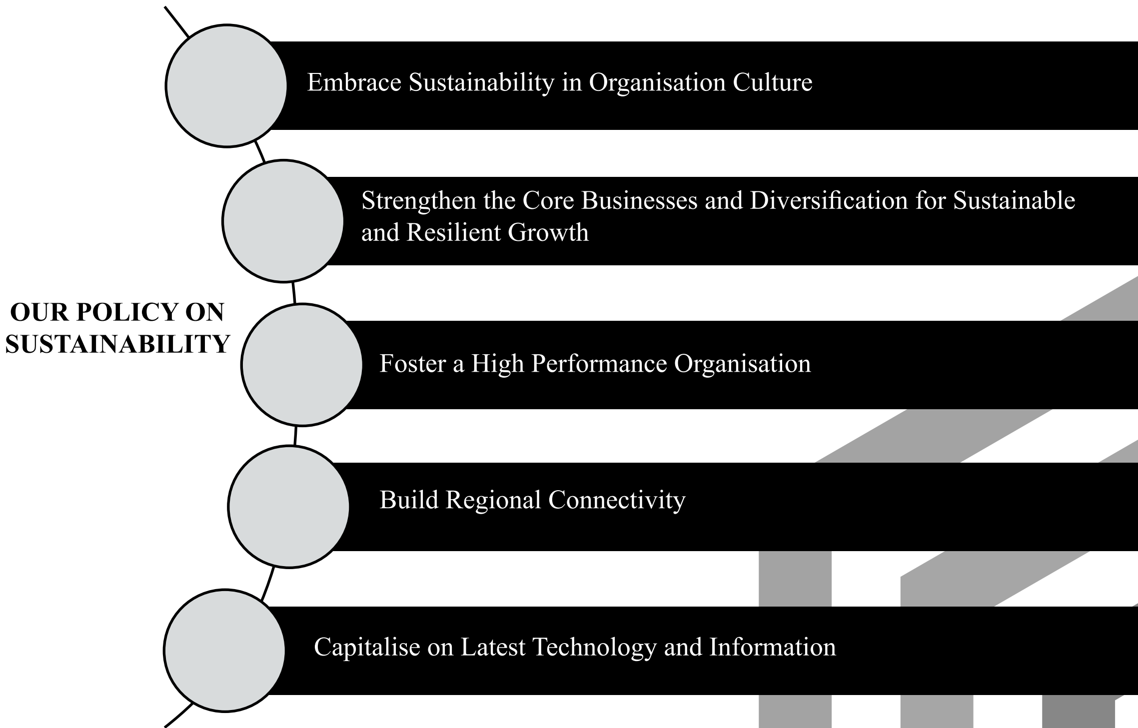
The Statement covers mTouche and its subsidiaries. Information disclosed in this Statement encompasses our core activities related to provision of mobile value-added services and mobile content provisioning solution. This report covers data which had been compiled internally from 1 October 2021 to 30 September 2022.

COMMITMENT TO SUSTAINABILITY DEVELOPMENT

Sustainability has always been a pillar of culture for mTouche as we strive to achieve continuing growth and profitability in a safe, caring and sustainable environment. We recognise that the sustainability practices are one of the important criteria in investors’ investment decisions.

In line with Bursa Malaysia Securities Berhad’s Sustainability Reporting Guide (2nd Edition), the Group’s sustainability practices are to ensure that EES 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 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, which is in line with our corporate culture.



Scope of the Statement

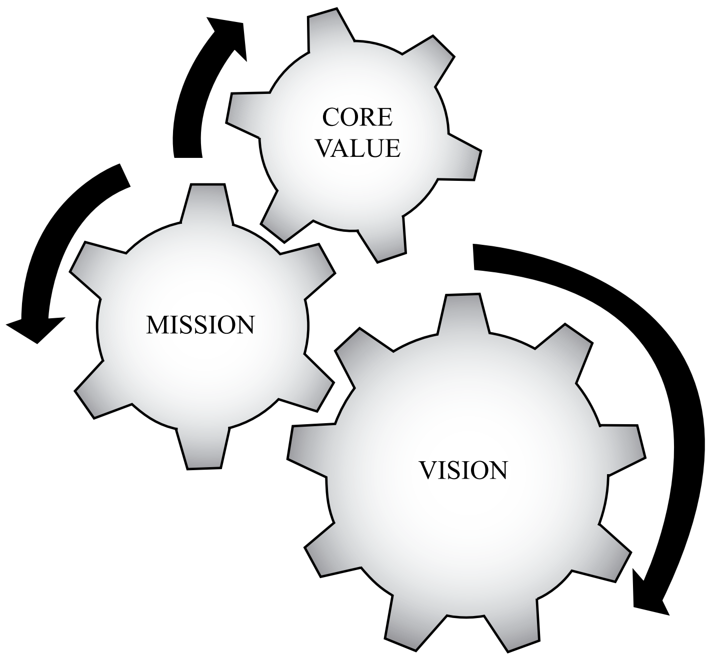
The Group continued success in maintaining a sustainable business and generating long-term shareholders' value is influenced by several internal and external factors. Each material factor presents unique risks and opportunities to our organisation and is a key consideration in our approach to strategies formulation and execution as it substantially influences the assessments and decisions of our stakeholders. We regularly review these factors to assess their impacts on our business model over the near, medium and long term.

ECONOMIC	ENVIRONMENT	SOCIAL
Sustaining our economy	Conserving our environment	Building a resilient workforce
Delivering sustainable returns to our shareholders	Protecting and preserving our environment	Ensuring a positive workplace for our employees
Delivering quality products and services to achieve customers' satisfaction		Serving our community
		Contributing to the well-being of the community around us

GOVERNANCE FRAMEWORK

Governance Structure

Our vision and mission are the cornerstones of our commitment to the sustainability of the Group. Our core values are the guiding principles that we uphold in day-to-day operations and conduct ourselves to support our vision and shape our culture.

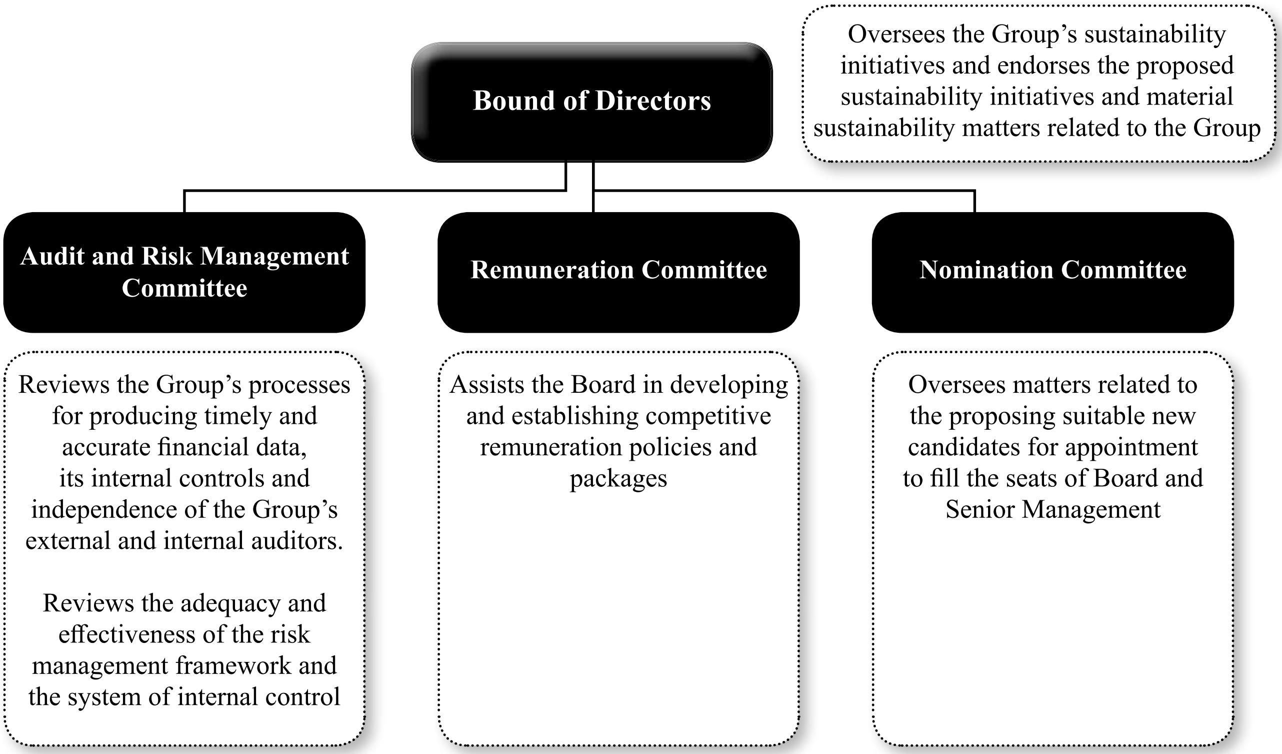


Sustainability is embedded in our organisational approach and is led from the top. The Board of Directors ("**Board**") plays a vital guidance and oversight role in advancing sustainability across the organisation with the assistance from the Senior Management to oversee the implementation of the organisation's sustainability approach and ensures that key targets are being met.

GOVERNANCE FRAMEWORK (CONT'D)

Governance Structure (cont'd)

The Board also acknowledges that risk management and internal control are integral to our corporate governance and it is responsible for establishing a sound risk management framework and internal control system as well as to ensure their adequacy and effectiveness. The review of the adequacy and effectiveness of the risk management framework and the system of internal control is delegated by the Board to the Audit and Risk Management Committee. Asides, the Group's performance is also tracked with the assistance of the Nomination Committee and Remuneration Committee.



The responsibility of the Board to promote and embed sustainability in the Group 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
- Communication of sustainability strategies, priorities and targets as well as performance against targets to internal and external stakeholders

The Board also cascades sustainability matters to the respective departments in the form of policies, internal memos and updates to the Group's Standard Operating Procedures ("SOPs"), if necessary, to continue embedding sustainability in every aspect of the Group's daily operation. In addition to that, internal and external stakeholders remain informed of the Company's sustainability strategies, priorities as well as targets and performance against target through engagements and disclosures in the Company's website.

Ethical Business Practices and Anti-Bribery & Anti-Corruption Policy

The Board recognises the importance of ethical business conduct across the operations to maintain our stakeholders' trust. Code of Ethics is established to achieve a standard of ethical behaviour based on trustworthiness and values that can be accepted and uphold a spirit of responsibility. Our Whistle-Blowing Policy, uploaded on our website, provides all stakeholders a direct channel for reporting instances of misconduct that contradict to our Code of Ethics and/or other non-compliance offences. The policy ensures confidentiality for those filing the reports who can voice their concerns without fear of reprisal.

GOVERNANCE FRAMEWORK (CONT'D)

Ethical Business Practices and Anti-Bribery & Anti-Corruption Policy (cont'd)

In line with Section 17(A) of Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Group has also developed the Anti-Corruption measures that will also enable the incorporation of the responsibilities for sustainability into the day-to-day operations of the Group. We are committed to a zero-tolerance approach in our efforts to prevent corrupt and bribery practices. We conduct our business ethically, as well as in conformity with all applicable laws.

Good governance is the bedrock of our business, led by ethical business practices and integrity. We have embedded the highest standards of governance in our business not only by complying with the law but through processes and directives that continue to reinforce the principles.

STAKEHOLDER ENGAGEMENT

We continued to engage our stakeholders actively throughout the fiscal year as part of our sustainability assessment process. Engagement with stakeholders allows us to gain a more complete understanding of our materiality issues and matters whilst, we are also able to capture the key aspects and impacts of our sustainability journey.

The table below lists our key stakeholder groups and their respective areas of interest as well as methods by which we engage them.

STAKEHOLDERS	ENGAGEMENT METHOD	ENGAGEMENT AREA
Shareholders	• Annual & Extraordinary General Meetings • Bursa announcements • Quarterly report • Annual report • Timely update on corporate website	• Financial and operational performance • Return on investments
Government	• Compliances to laws and regulations • Compliances to standards and specifications	• Operation regulations • Bursa listing requirements • Companies Act • Labour law • Taxations
Board of directors	• Board meetings	• Corporate strategy • Corporate governance
Employees	• Trainings • Performance appraisal • Employee engagement activities	• Remuneration policy • Career development • Performance review • Fair employment practices
Financial Institutions	• Bursa announcements • Quarterly report • Annual report • Timely update on corporate website	• Financial and operational performance • Funding requirement
Customers	• Marketing activities • Quality review	• Customer satisfactions • After-sales services • Quality assurance • Innovative product
Suppliers	• Quality review • Contract negotiation	• Quality of products and services • Legal compliances
Communities	• Community events	• Social contribution • Job opportunities • Donation and financial aid
Analyst / Media	• Annual & Extraordinary General Meetings	• Financial and operational performance • General announcements

SUSTAINABILITY RISKS AND RESPONSES

The Board understands the importance of addressing sustainability risks and opportunities in an integrated and strategic manner to support the Group's long-term strategy and success. The Board proactively considers sustainability issues when overseeing the planning, performance and long-term strategy of the Company to ensure the Company remains resilient so as to deliver durable and sustainable value as well as maintain the confident of its stakeholders.

RISK	RISK ANALYSIS	RISK RESPONSES
Market demand risk	The needs of market-oriented approach to identify and respond to the changing need of the customers and aggressive competition.	The Group strives to take proactive measures to remain competitive in this business by, amongst others, constantly keeping abreast with the latest market conditions, and making efforts in maintaining a competitive edge in terms of cost efficiency, service quality, product quality and reliability. Furthermore, the Group intends to diversify its existing businesses by venturing into healthcare related businesses to set up its lifestyle wellness and recovery services.
People risk	Staff engagement: Transforming staff to evolving needs and supporting employment with limited resources without compromise is challenging Workplace wellness: Expectation on work-life balance and workplace health and safety are even higher after the pandemic	The Group continues to cultivate a high-performance culture and nurture a vibrant and diverse workforce with robust training and succession plan.

MATERIAL SUSTAINABILITY MATTERS

We conducted a materiality assessment, collecting views from our stakeholders on key material sustainability matters that may have a significant EES impact on our business or substantively influence the assessment and decisions of our stakeholders.

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 provides 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.

Although engagement is largely governed by the Malaysian Code of Corporate Governance and the Listing Requirements by Bursa Malaysia, the Group enjoys indirect economic impacts of a goodwill, trust and loyalty and a mutually beneficial investment relationship.

ECONOMIC (CONT'D)

Customers & Services

The Group is committed to see that not only our shareholders' interests are taken care of but also those of our customers and suppliers. The Group values its customers as they are a major reason for its profitability. The Group places great importance in providing quality assurance on our products and services quality. We strive for product excellence, prompt delivery and service at competitive pricing through continual improvement in our business and operations processes.

PRODUCTS AND SERVICES QUALITY
Well-recognised best practices
Experienced management that equipped with industry knowledge and comprehensive training
Prompt delivery and reliable customer service
Efficient after-sales service, create an integrated and resilient workforce

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 customers' 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 our products and services must not contain any hazardous element and must be of high quality to ensure customers' satisfaction. We uphold the belief that customers rights should be preserved at all times and are on continuous endeavours to create value-for-money for our customers. We also wish to be a responsive and reliable partner to our customers within their respective markets.

To achieve sustainability in the long run, the Group opined that other diversification shall also be ventured into to enhance its financial performance and in turn its' shareholders' value in future. The Group had recently purchased two lots of commercial properties at Troika KLCC, which is strategically located at KL City Centre as part of the Group's diversification plan to venture into healthcare related businesses.

Suppliers

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. Our suppliers are filtered through careful selection ensuring only the ones 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 stakeholders.

ENVIRONMENT

Energy & Water Saving Initiatives

The global commitment and acceleration of efforts to transition to a net zero economy. We have evaluated our operations to enhance energy efficiency to reduce our carbon footprint to support cleaner and sustainable growth. Action has been taken to reduce the overall energy consumed by lighting. Where lighting in and around our office facilities and corridors need to be replaced, we have converted them to LED. The process is on-going and on stages. Furthermore, the Group will initiate the provision of reminders to switch off lighting, air-conditioner and computer when not in use.

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 working hard on, both improving the efficiency with which we use our water, as well as working to educate our employees about the need to conserve it.

Waste Management

We recognise the importance of environmental protection for the long-term sustainability of our businesses. Various initiatives have been taken to promote recycling habits and responsible waste management among our employees. 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, the Group distribute memos via emails, instead of papers. Other materials such as furniture and fixture are recycled or reused where possible.

Waste segregation has been done by placing different bins in and around our office area. Waste segregation is planned to be fully implemented in the coming years throughout the Group where recycling stations will be set up in convenient locations.

All the measures taken have been successfully inculcated the environmental awareness in our employees and able to reduce our environmental footprint.

SOCIAL

Training & Talent Management

In mTouche, employees are our greatest assets. We will continue to focus on human capital development to nurture our employees to their full potential. Training programs for skill development and improvement are conducted for our employees so that they can execute their roles and responsibilities efficiently as well as for their personal career development.

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 of the organisation accordingly.

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.

For critical and leadership roles, succession planning is vital to our long-term performance as part of our Group's sustainability move. Our Nomination Committee will review the Group's human resources plan including the succession management framework and activities, human resources initiatives such as jobs and salary review and the annual manpower budget. The succession planning across the Group is implemented by stages and training programmes are designed specifically for management staff.

SOCIAL (CONT'D)

Training & Talent Management (cont'd)

For many years, we have recognised the importance of engaging with our workforce. Employees' engagement is important to an organisation because it motivates employees to do their best. We consider effective engagement a key element of the Company's ability to create value as we recognise that our people are our greatest asset. Management regularly engages with the workforce through a range of activities such as staff birthday celebrations, festive celebrations etc.

Safe Workplace

The Group recognises 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. The Group has in place a policy that highlights our commitment to ensure compliance with laws and regulations in relation to occupational safety and health.

As Coronavirus Disease 2019 has affected all areas of business throughout the world since 2020, it has become a social responsibility for the Group to act accordingly. It is our Group's immediate priority to protect the health and safety of our employees. Our frontline staff deserve most accolades, we ensure protective masks put on and body temperatures checked. We also practice social distancing with at least one metre and enhance cleaning measures such as more regular cleaning of common touchpoints with disinfectant. We have also provided self-test kits to our employees as we continue to be vigilant while providing a safe workplace for our employees.

Labour Practices

We are committed to provide and respect fundamental human rights and safeguard against violation of human rights. The freedoms enshrined in this include freedom from forced and child labour, adherence to minimum wages and fair compensation and provision of reasonable working hours per stipulated by Labour Law.

We guarantee an anti-discriminatory and anti-harassment workplace, one that is safe and healthy and above all, ethical in conduct. Employees are not restricted from unionising and are afforded the freedom of association per local laws and practice.

In addition to this, all employee benefits provided by the Group is above minimum statutory requirements and includes healthcare and insurance coverage, leaves, statutory payment and career development bonuses. Remuneration packages, while strictly private and confidential, are determined upon the employees' experience, expertise, qualifications and job grade.

Diversity & Inclusion

Diversity refers to the differences in workforce by gender, age, ethnicity and disability. This measure is considered across the Board, from the Directors to the Management and the rest of the workforce.

In the appointment and recruitment process, we pride ourselves on being an employer that provides equal opportunities and continuously seek to promote it regardless of religious belief, age, marital status, gender, family status or any disability. Our commitment in that respect applies to all areas of the work environment, all employment activities, resource allocation and all employment terms and conditions. Every employee is given equal opportunity to rise up in their careers through hard work and dedication.

SUSTAINABILITY STATEMENT (CONT'D)

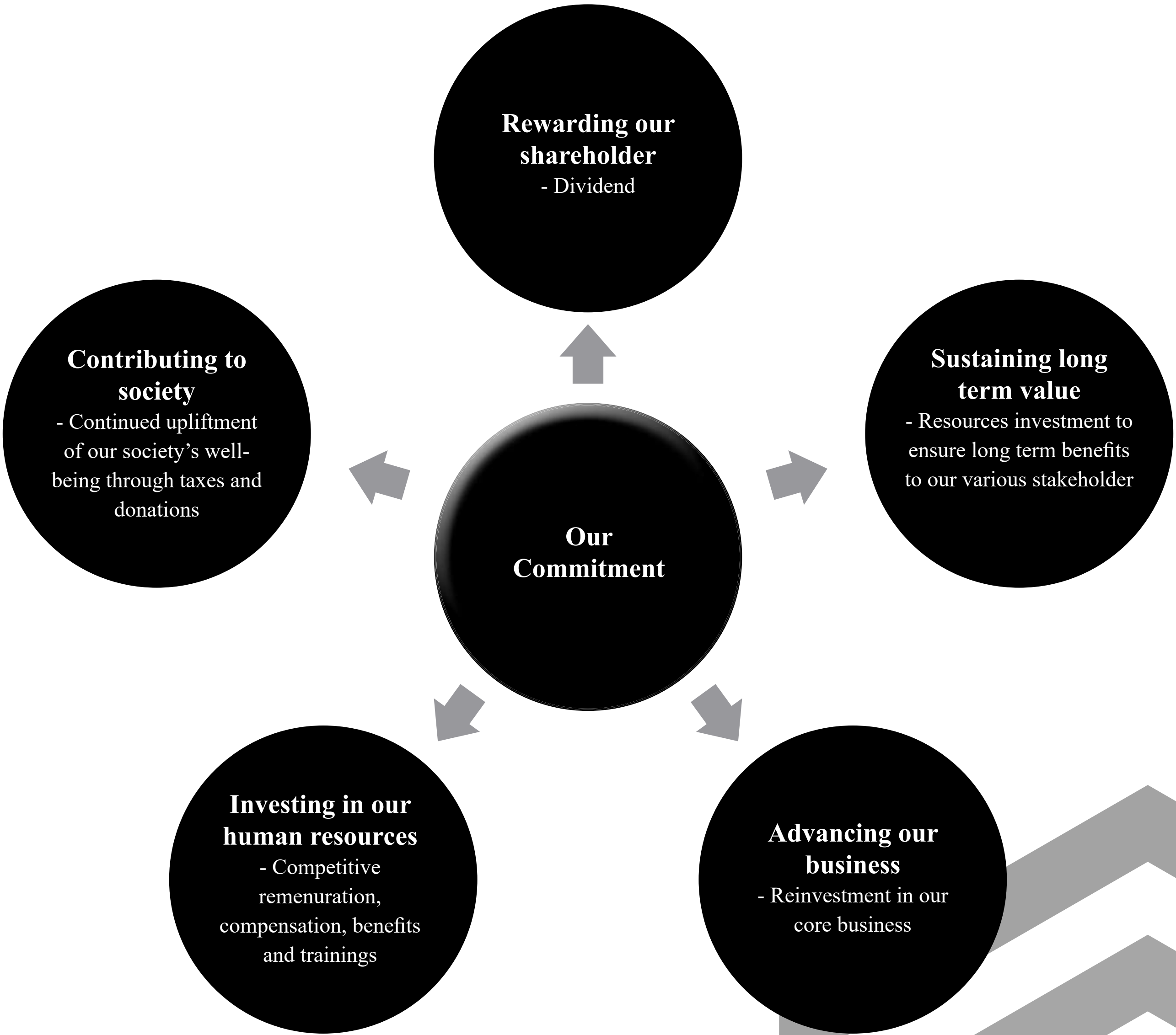
SOCIAL (CONT'D)

<u>Community Care</u>

Our Group strongly believes in giving back to society and hence mTouche 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 ON DIRECTORS' RESPONSIBILITY

PURSUANT TO PARAGRAPH 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 year ended 30 September 2022 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 year and of their financial performance and cash flows for the financial year ended on that date in accordance with 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 risk management process and 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 30 January 2023.

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DIRECTORS' REPORT

The Directors of mTouche Technology Berhad hereby present their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2022.

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 and the distribution and sale of coronavirus disease 2019 test kits as well as other business which are related to the healthcare industry. The principal activities of the subsidiary companies are disclosed in Note 7 to the financial statements.

Financial Results

The results of the Group and of the Company for the financial year are as follows:

	Group RM	Company RM
Loss for the financial year	11,137,837	6,766,802
Attributable to:		
Owners of the Parent	10,914,069	6,766,802
Non-controlling interests	223,768	-
	11,137,837	6,766,802

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

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in financial statements.

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial period. The Directors do not recommend any dividend payment in respect of the current financial year.

Issue of Shares and Debentures

There was no issuance of shares or debentures during the financial year.

Warrant 2021/2024

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 30.9.2022
Warrants 2021/2024	RM0.10	2 June 2024	397,161,708

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.

The details and salient terms of Warrants 2021/2024 is disclosed in Note 15 to the Financial Statements.

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

Directors

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tang Boon Koon *	
Chen Huei Ping *	
Kunamony A/P S. Kanadiah	
Ng Kok Hok	
Khairul Azwan Harun	(Appointed on 13 January 2022)
Y. M. Raja Hizad Bin Raja Kamarulzaman	(Deceased on 22 November 2021)

** Director of the Company and of its subsidiary companies*

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year and during the period from the end of the financial year to the date of this report are:

Tao Thi Yen Oanh (Vietnam)
Pham Thi My Hanh (Vietnam)
Octiva Riadi Candra (Indonesia)

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' Interests in Shares

The interests and deemed interests in the shares and warrants of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouse or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.10.2021	**Acquired**	**Disposed**	**At 30.9.2022**
Interests in the Company				
Direct interest				
Tang Boon Koon	50,000	-	-	50,000
Chen Huei Ping	50,000	-	-	50,000

By virtue of their interests in the shares of the Company, Tang Boon Koon and Chen Huei Ping are deemed to have interests in the shares of all its subsidiary companies during the financial year to the extent that the Company has an interest under Section 8(4) of the Companies Act 2016.

None of the other Directors in office at the end of the financial year had any interest in shares and warrants in the Company and of its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial period, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors and disclosed in the 'Directors' Remuneration' of this report) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Remuneration

The details of the Directors' remuneration paid/payable to Directors of the Group and of the Company during the financial year are as follows:

	Group RM	Company RM
Salary and other emoluments	664,142	664,142
Directors' fees	510,750	510,750
Defined contribution plans	28,808	28,808
	1,203,700	1,203,700

Indemnity and Insurance Costs

During the financial year, Directors and officers of the Group and of the Company were covered under the Directors' and Officers' Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and officers of the Group and of the Company subject to the terms of the policy. The total amount of indemnity coverage and insurance premium paid during the year for the Directors' and officers' Liability Insurance of the Group and of the Company were RM10,000,000 and RM15,000 respectively.

There was no indemnity given to or insurance effected for auditors of the Group and of the Company in accordance with Section 289 of the Companies Act 2016.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

  (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

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

Other Statutory Information (Cont'd)

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

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

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

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

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, except as disclosed in the notes to the financial statements; and

(iii) there has arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

Auditors' Remuneration

The details of the auditors' remuneration for the financial year are as follows:

	Group RM	Company RM
Auditors' remuneration		
- Statutory audit	302,976	200,000
- Non-statutory audit	5,000	5,000
	307,976	205,000

Auditors

The Auditors, UHY, have indicated their willingness to continue in office.

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

TANG BOON KOON

CHEN HUEI PING

KUALA LUMPUR

30 January 2023

STATEMENT BY DIRECTORS

The Directors of mTouche Technology Berhad, state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 September 2022 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended on that date.

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

TANG BOON KOON

CHEN HUEI PING

KUALA LUMPUR

30 January 2023

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, Tang Boon Koon, being the Director primarily responsible for the financial management of mTouche Technology Berhad, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.

TANG BOON KOON

30 January 2023

Subscribed and solemnly declared by the abovenamed Tang Boon Koon at Kuala Lumpur in the Federal Territory, on 30 January 2023

Before me,

ZAINUL ABIDIN BIN AHMAD
NO. W790

COMMISSIONER FOR OATHS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of mTouche Technology Berhad, which comprise the statements of financial position as at 30 September 2022 of the Group and of the Company, 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 of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 69 to 169.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2022, and of their financial performance and their cash flows for the financial year 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 of 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 of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How we addressed the key audit matters
1. Recoverability of trade receivables As at 30 September 2022, the trade receivables balances of the Group amounted to RM10,157,547 representing 6.75% of the Group's total assets. Refer to Note 2(d) (Significant accounting judgements, estimates and assumptions: Provision for expected credit losses of financial asset at amortised cost), Note 3(k)(ii) (Significant Accounting Policies impairment of assets: financial assets) and Note 31(b)(i) (Credit risk on trade receivables). The Group has material credit exposures in its trade receivables. Given the nature of these assets, the assessment of impairment involves significant estimation uncertainty subjective assumptions and the application of significant judgement.	**Our audit procedures performed in this area included, among others:** • Understood the Group's credit risk policy and assumptions in estimating the expected credit losses ("ECL") and assessed the reasonableness of ECL by recalculation of ECL at the reporting date; • 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; • Scrutinised receivables ageing and investigated trends and conditions that may indicate objective evidence of impairment; • 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; • Reviewed the probability of default using historical data and adjustment of forward-looking information applied by the Group; • 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 unknown receivables' circumstances; and • Assessed the adequacy and reasonableness of the disclosures in the financial statements.

Key Audit Matters (Cont'd)

Key audit matters	How we addressed the key audit matters
2. Impairment assessment on intangible assets As at 30 September 2022, the carrying amount of intangible assets of the Group amounted to RM22,654,447 representing 15.05% of the Group's total assets. 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 covering a five-year period. The recoverable amount of the Group's intangible asset is subject to key assumptions applied in respect of future revenue growth rate, gross margin and the pre-tax discount rate used in the cash flow projections. A small change in these key assumptions can have a significant impact on the estimation of the recoverable amount.	**Our audit procedures performed in this area included, among others:** • Performed opening balance procedures on the intangible assets balances adherence with the requirement of International Standards on Auditing 510 (ISA 510), Initial Audit Engagements – Opening Balances; • Obtained an understanding of the methodology adopted by the management in estimating the value in use and assessed whether such methodology is consistently applied; • Checked and challenged the key assumptions used by management, in particular, annual revenue growth rate by comparing to business plans, growth rate, discount rate, historical results and market data; • 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 • Assessed the adequacy of the disclosures in the financial statements; • Assessed whether the recoverable amounts were prepared by management based on the approved budgets by the Directors; and • Evaluated the reasonableness of the Directors' assessment that a group of intangible asset is the cash generating unit ("CGU") which represents the smallest identifiable group of assets that generate independent cash inflows, by understanding the business model of the Group.

We have determined that there is no key audit matter in the audit of separate financial statements of the Company to communicate in our auditors' report.

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 information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of 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 of 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 of 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 of 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 of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's 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 or 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 of 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 judgement 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 of 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's 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.

- 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's or 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 of 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 Group or the Company to cease to continue as a going concern.

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 judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of 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 opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the 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 provide 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, related safeguards.

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 of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' 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 expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matters

i) The financial statements of the Company for the preceding financial period were audited by another firm of auditors and are presented here merely for comparative purposes. The report issued by the predecessor auditors, which was dated 28 January 2022, expressed an unmodified opinion.

ii) 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.

UHY
Firm Number: AF 1411
Chartered Accountants

TAN GIM-HENG
Approved Number: 03595/09/2023 J
Chartered Accountant

KUALA LUMPUR
30 January 2023

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	19,306,469	1,319,882	17,909	3,627
Right-of-use assets	5	644,417	845,475	-	-
Intangible assets	6	22,654,447	28,538,766	-	-
Investment in subsidiary companies	7	-	-	1,235,871	578,096
Deferred tax assets	8	2,177,279	2,305,286	-	-
		44,782,612	33,009,409	1,253,780	581,723
Current Assets					
Trade receivables	9	10,157,547	14,144,560	-	-
Other receivables	10	29,051,940	17,605,356	1,092,539	898,271
Amount due from subsidiary companies	11	-	-	132,445,682	95,173,779
Other investments	12	84,859	507,880	84,859	507,880
Tax recoverable		130,105	263,769	253,622	253,622
Cash and bank balances	13	66,334,474	101,295,043	53,625,590	98,245,818
		105,758,925	133,816,608	187,502,292	195,079,370
Total Assets		150,541,537	166,826,017	188,756,072	195,661,093
EQUITY					
Share capital	14	242,386,011	242,386,011	242,386,011	242,386,011
Reserves	15	(4,886,658)	(2,252,451)	-	-
Accumulated losses		(90,999,560)	(80,085,491)	(54,078,438)	(47,311,636)
Equity attributable to owners of the parent		146,499,793	160,048,069	188,307,573	195,074,375
Non-controlling interests		(1,731,179)	(1,685,591)	-	-
Total Equity		144,768,614	158,362,478	188,307,573	195,074,375

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
LIABILITIES					
Non-Current Liabilities					
Lease liabilities	16	397,473	526,103	-	-
Defined benefit obligation	17	569,436	432,621	-	-
		966,909	958,724	-	-
Current Liabilities					
Trade payables	18	2,008,627	4,287,057	-	197,870
Other payables	19	2,585,696	2,841,455	448,499	388,848
Lease liabilities	16	211,691	376,303	-	-
		4,806,014	7,504,815	448,499	586,718
Total Liabilities		5,772,923	8,463,539	448,499	586,718
Total Equity and Liabilities		150,541,537	166,826,017	188,756,072	195,661,093

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

		Group		Company	
		1.10.2021 to 30.09.2022	1.7.2020 to 30.9.2021	1.10.2021 to 30.09.2022	1.7.2020 to 30.9.2021
	Note	RM	RM	RM	RM
Revenue	20	21,200,454	18,825,307	-	-
Cost of sales		(16,304,193)	(17,318,093)	-	-
Gross profit		4,896,261	1,507,214	-	-
Other income		2,036,405	1,015,552	1,919,426	723,126
Administrative expenses		(4,872,541)	(6,028,750)	(977,434)	(1,280,364)
Other expenses		(12,753,738)	(19,017,831)	(3,865,160)	(6,862,066)
Net loss on impairment of financial instruments		(293,765)	(6,466)	(3,843,634)	-
Finance costs		(48,891)	(143,832)	-	-
Loss before tax	21	(11,036,269)	(22,674,113)	(6,766,802)	(7,419,304)
Taxation	22	(101,568)	526,044	-	-
Loss for the financial year/period		(11,137,837)	(22,148,069)	(6,766,802)	(7,419,304)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

		Group		Company	
		1.10.2021 to 30.09.2022	1.7.2020 to 30.9.2021	1.10.2021 to 30.09.2022	1.7.2020 to 30.9.2021
	Note	RM	RM	RM	RM
Other comprehensive loss, net of tax					
Item that is or may be reclassified subsequently to profit or loss					
Exchange translation differences for foreign operations		(2,634,207)	(1,878,562)	-	-
Item that will not be reclassified subsequently to profit or loss					
Actuarial gain on defined benefit obligations		-	240,641	-	-
Income tax effect		-	141,510	-	-
		-	382,151	-	-
Other comprehensive loss for the financial year/period, net of tax		(2,634,207)	(1,496,411)	-	-
Total comprehensive loss for the financial year/period		(13,772,044)	(23,644,480)	(6,766,802)	(7,419,304)
(Loss)/Profit for the financial year/ period attributable to:					
Owners of the parent		(10,914,069)	(22,158,631)	(6,766,802)	(7,419,304)
Non-controlling interests		(223,768)	10,562	-	-
		(11,137,837)	(22,148,069)	(6,766,802)	(7,419,304)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

		Group		Company	
		1.10.2021 to 30.09.2022	1.7.2020 to 30.9.2021	1.10.2021 to 30.09.2022	1.7.2020 to 30.9.2021
	Note	RM	RM	RM	RM
Total comprehensive (loss)/profit attributable to:					
Owners of the parent		(13,950,224)	(23,693,344)	(6,766,802)	(7,419,304)
Non-controlling interests		178,180	48,864	-	-
		(13,772,044)	(23,644,480)	(6,766,802)	(7,419,304)
Earnings per share					
Basic loss per share (sen)	23(i)	(3.14)	(6.37)		
Diluted loss per share (sen)	23(ii)	(3.14)	(2.97)		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

	Attributable to Owners of the Parent								
	Non-Distributable					Distributable			
	Share Capital RM	Foreign Currency Translation Reserve RM	Warrant Reserve RM	Discount on Shares RM	Other Capital Reserves RM	Accumulated Losses RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Group									
At 1 October 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
Loss for the financial year	-		-	-	-	(10,914,069)	(10,914,069)	(223,768)	(11,137,837)
Other comprehensive loss for the financial year									
-Exchange transaction differences	-	(2,634,207)	-	-	-	-	(2,634,207)	178,180	(2,456,027)
Total comprehensive loss for the financial year	-	(2,634,207)	-	-	-	(10,914,069)	(13,548,276)	(45,588)	(13,593,864)
At 30 September 2022	242,386,011	(6,351,501)	39,716,171	(39,716,171)	1,464,843	(90,999,560)	146,499,793	(1,731,179)	144,768,614

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

	Attributable to Owners of the Parent									
	Non-Distributable						Distributable			
	Share Capital RM	Foreign Currency Translation Reserve RM	Warrant Reserve RM	Employee Share Option Reserve RM	Discount on Shares RM	Other Capital Reserves RM	Accumulated Losses RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Group										
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
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 transaction differences	-	(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 brought forward	121,398,378	(3,717,294)	20,966,877	-	(20,966,877)	1,464,843	(80,085,491)	39,060,436	(1,685,591)	37,374,845

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

	Attributable to Owners of the Parent									
	Non-Distributable						Distributable			
	Share Capital RM	Foreign Currency Translation Reserve RM	Warrant Reserve RM	Employee Share Option Reserve RM	Discount on Shares RM	Other Capital Reserves RM	Accumulated losses RM	Total RM	Non-Controlling Interests RM	Total Equity RM
Group										
Balance carried forward	121,398,378	(3,717,294)	20,966,877	-	(20,966,877)	1,464,843	(80,085,491)	39,060,436	(1,685,591)	37,374,845
Transactions with owners:										
Expiry of Warrant C	-	-	(20,966,877)	-	20,966,877	-	-	-	-	-
Issuance of ordinary shares	105,602,019	-	-	-	-	-	-	105,602,019	-	105,602,019
Grant of share option scheme	-	-	-	8,249,218	-	-	-	8,249,218	-	8,249,218
Share options exercised	15,385,614	-	-	(8,249,218)	-	-	-	7,136,396	-	7,136,396
Issuance of Warrant D	-	-	39,716,171	-	(39,716,171)	-	-	-	-	-
Total transaction with owners	120,987,633	-	18,749,294	-	(18,749,294)	-	-	120,987,633	-	120,987,633
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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

	Attributable to Owners of the Parent				
	Non-distributable			Distributable	
	Share Capital RM	**Warrant Reserve RM**	**Discount on shares RM**	**Accumulated losses RM**	**Total Equity RM**
Company					
At 1 October 2021	242,386,011	39,716,171	(39,716,171)	(47,311,636)	195,074,375
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(6,766,802)	(6,766,802)
At 30 September 2022	242,386,011	39,716,171	(39,716,171)	(54,078,438)	188,307,573

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

	Attributable to Owners of the Parent					
	Non-distributable				Distributable	
	Share Capital RM	Employee Share Option Reserve RM	Warrant Reserve RM	Discount on Shares RM	Accumulated Losses RM	Total Equity RM
Company						
At 1 July 2020	121,398,378	-	20,966,877	(20,966,877)	(39,892,332)	81,506,046
Loss for the financial period representing total comprehensive loss for the financial period	-	-	-	-	(7,419,304)	(7,419,304)
Transaction with owners:						
Expiry of Warrant C	-	-	(20,966,877)	20,966,877	-	-
Issuance of ordinary shares	105,602,019	-	-	-	-	105,602,019
Grant of share option scheme	-	8,249,218	-	-	-	8,249,218
Shares option exercised	15,385,614	(8,249,218)	-	-	-	7,136,396
Issurance 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
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 YEAR ENDED 30 SEPTEMBER 2022

	Note	Group 1.10.2021 to 30.09.2022 RM	Group 1.7.2020 to 30.9.2021 RM	Company 1.10.2021 to 30.09.2022 RM	Company 1.7.2020 to 30.9.2021 RM
Cash Flows From Operating Activities					
Loss before tax		(11,036,269)	(22,674,113)	(6,766,802)	(7,419,304)
Adjustments for:					
Depreciation of:					
- property, plant and equipment		585,963	1,686,569	5,522	49,420
- right-of-use assets		482,930	595,534	-	-
Amortisation of intangible asset		5,678,803	4,489,732	-	-
Impairment losses on:					
- intangible assets		4,120,611	3,497,955	-	-
- trade receivables		186,535	6,466	-	-
- other receivables		107,230	-	97,843	-
- amount due from subsidiary companies		-	-	3,745,791	-
- investment in subsidiary companies		-	-	578,095	-
Provision of defined benefit obligation		-	4,790	-	-
Share-based payment expenses		-	4,587,927	-	-
Fair value losses on other investments		423,021	296,761	423,020	296,761
Property, plant and equipment written off		-	2,522,695	-	92,696
(Gain)/Loss on disposal of:					
- property, plant and equipment		-	498,950	-	(72,036)
- right-of-use assets		(92,114)	-	-	-
Interest expenses		48,891	143,832	-	-
Interest income		(1,923,788)	(983,219)	(1,909,228)	-
Unrealised loss on foreign exchange		(3,399,023)	923,845	-	-
Operating gain/(loss) before working capital changes		(4,817,210)	(4,402,276)	(3,825,759)	(7,052,463)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

		Group		Company	
		1.10.2021 to 30.09.2022	1.7.2020 to 30.9.2021	1.10.2021 to 30.09.2022	1.7.2020 to 30.9.2021
	Note	RM	RM	RM	RM
Cash Flows From Operating Activities (Cont'd)					
Changes in working capital:					
Trade and other receivables		(7,753,336)	(29,134,577)	(292,110)	(30,734,911)
Trade and other payables		(2,397,374)	1,700,112	(138,220)	(263,975)
		(10,150,710)	(27,434,465)	(430,330)	(30,998,886)
Cash generated from/ (used in) operations		(14,967,920)	(31,836,741)	(4,256,089)	(38,051,349)
Tax paid		-	(301,140)	-	-
Tax refunded		133,664	-	-	-
		133,664	(301,140)	-	-
Net cash used in operating activities		(14,834,256)	(32,137,881)	(4,256,089)	(38,051,349)
Cash Flows From Investing Activities					
Acquistion of intangible assets		(2,463,376)	(2,344,934)	-	-
Acquistion of plant and equipment		(18,572,987)	(589,327)	(19,804)	-
Acquistion of right-of-use assets		(29,642)	(40,986)	-	-
Repayment from subsidiary company		-	-	(41,017,693)	-
Proceeds from disposal of:					
- property, plant and equipment		-	184,180	-	129,778
- right-of-use assets		120,000	-	-	-
Increase in investment		-	-	(1,235,870)	(578,088)
Interest received		1,923,788	983,219	1,909,228	-
Net cash used in investing activities		(19,022,217)	(1,807,848)	(40,364,139)	(448,310)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022 (CONT'D)

		Group		Company	
		1.10.2021 to 30.09.2022	1.7.2020 to 30.9.2021	1.10.2021 to 30.09.2022	1.7.2020 to 30.9.2021
	Note	RM	RM	RM	RM
Cash Flows From Financing Activities					
Interest paid		(48,891)	(143,832)	-	-
Proceeds from issuance of share capital		-	116,518,765	-	120,987,633
Repayment of lease liabilities		(572,242)	(549,425)	-	-
Net cash used in financing activities		(621,133)	115,825,508	-	120,987,633
Net increase in cash and cash equivalents		(34,477,606)	81,879,779	(44,620,228)	82,487,974
Effect of changes in foreign exchange rate		(482,963)	226,393	-	-
Cash and cash equivalents at the beginning of the financial year		101,295,043	19,188,871	98,245,818	15,757,844
Cash and cash equivalents at the end of the financial year		66,334,474	101,295,043	53,625,590	98,245,818

NOTES TO THE FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

1. **Corporate Information**

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of the 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 and the distribution and sale of coronavirus disease 2019 test kits as well as other business which are related to the healthcare industry. The principal activities of the subsidiary companies are disclosed in Note 7. There have been no significant changes in the nature of these activities during the financial year.

2. **Basis of Preparation**

(a) Statement of compliance

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

Adoption of amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 4, MFRS 7, MRFS 9, MFRS 16 and MFRS 139	Interest Rate Benchmark Reform – Phase 2
Amendments to MFRS 16	Covid 19-Related Rent Concessions beyond 30 June 2021

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

2. **Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 3	References to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contract – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020 • Amendments to MFRS 1 • Amendments to MFRS 9 • Amendments to MFRS 16 • Amendments to MFRS 141		1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Applications of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new standards and amendments to MFRSs when they become effective.

2. **Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

The initial application of the above-mentioned accounting standards or amendments are not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared under the historical cost basis, unless otherwise indicated in the significant accounting policies in Note 3.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(d) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

<u>Determining the lease term of contracts with renewal and termination options - Group as lessee</u>

The Group and the Company determine 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 and the Company have several lease contracts that include extension and termination options. The Group and the Company 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 and the Company reassess 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.

2. **Basis of Preparation (Cont'd)**

(d) Significant accounting judgements, estimates and assumption (Cont'd)

Judgements (Cont'd)

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and

(c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives/ depreciation of property, plant and equipment and right-of-use ("ROU") assets

The Group and the Company regularly review the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amounts at the reporting date for property, plant and equipment and ROU assets are disclosed in Notes 4 and 5 respectively.

2. **Basis of Preparation (Cont'd)**

(d) Significant accounting judgements, estimates and assumption (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Impairment of investment in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 7.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences 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. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 8.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

2. **Basis of Preparation (Cont'd)**

(d) Significant accounting judgements, estimates and assumption (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of its receivables, include trade and other receivables, amounts due from subsidiary companies at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and on the Company's past history, existing market conditions at the end of each reporting period.

The Group and the Company use a provision matrix to calculate expected credit loss for their receivables. The provision rates are based on number of days past due.

The provision matric 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. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed, if any.

The assessment of the correlation between historical observed default rates, forecast economic condition and expected credit loss is a significant estimate. Information about the expected credit loss is disclosed in Notes 9, 10 and 11 respectively.

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 9.3% (2021: 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 year end.

Following the above assessment, the Group recognised impairment losses on intangible assets as further disclosed in Note 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 year.

2. **Basis of Preparation (Cont'd)**

(d) Significant accounting judgements, estimates and assumption (Cont'd)

Key sources of estimation uncertainty (Cont'd)

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 17 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.

2. **Basis of Preparation (Cont'd)**

(d) Significant accounting judgements, estimates and assumption (Cont'd)

Key sources of estimation uncertainty (Cont'd)

<u>Capitalisation and amortisation of intangible assets</u>

Intangible assets are capitalised in accordance with the accounting policy in Note 2 to the sinancial 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.

<u>Leases - Estimating the incremental borrowing rate</u>

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.

2. **Basis of Preparation (Cont'd)**

(d) Significant accounting judgements, estimates and assumption (Cont'd)

Key sources of estimation uncertainty (Cont'd)

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.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 30 June 2022, the Group and the Company have tax recoverable of RM130,105 and RM253,622 (2021: RM263,769 and RM253,622) respectively.

3. **Significant Accounting Policies**

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

3. **Significant Accounting Policies (Cont'd)**

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 139 Financial Instruments, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i).

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. 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 disposals to non-controlling interests are also recorded in equity.

3. **Significant Accounting Policies (Cont'd)**

(a) Basis of consolidation (Cont'd)

(iii) Disposal of subsidiary company

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(k)(i) on impairment of non-financial assets.

3. **Significant Accounting Policies (Cont'd)**

(b) Foreign currency

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

3. **Significant Accounting Policies (Cont'd)**

(b) Foreign currency (Cont'd)

(ii) Foreign operations (Cont'd)

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i).

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

3. **Significant Accounting Policies (Cont'd)**

(c) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

Property, 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%
Freehold office building	2%

3. **Significant Accounting Policies (Cont'd)**

(c) Property, plant and equipment (Cont'd)

(iii) Depreciation (Cont'd)

The residual values, useful lives and depreciation method are reviewed at each reporting period end 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 property, plant and equipment.

(d) Leases

(i) As lessee

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i).

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

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

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

3. **Significant Accounting Policies (Cont'd)**

(d) Leases

(i) As lessee

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

The Group applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

(ii) As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3. **Significant Accounting Policies (Cont'd)**

(e) Intangible assets

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(ii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

See accounting policy Note 3(k)(i) on impairment of non-financial assets for intangible assets.

3. **Significant Accounting Policies (Cont'd)**

(f) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit and loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition and the categories include trade and other receivables, amount due from subsidiary companies, fixed deposit with licensed bank and cash and bank balances as follows:

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following 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 flows; and

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

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

(ii) Fair value through other comprehensive income ("FVOCI")

<u>Debt instruments</u>

A debt security is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. **Significant Accounting Policies (Cont'd)**

(f) Financial assets (Cont'd)

(ii) Fair value through other comprehensive income ("FVOCI") (Cont'd)

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income on an investment-by-investment basis.

Financial assets categorised as FVOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in OCI and accumulated under fair value reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

(iii) Fair value through profit or loss ("FVTPL)

All financial assets not classified as measured at amortised cost or FVOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVOCI, are subject to impairment.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

3. **Significant Accounting Policies (Cont'd)**

(g) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(h) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

(i) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is 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.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, demand deposits, bank overdrafts and highly liquid investments that are readily converted to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3. **Significant Accounting Policies (Cont'd)**

(k) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

3. **Significant Accounting Policies (Cont'd)**

(k) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the 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.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, other receivables, contract assets and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3. **Significant Accounting Policies (Cont'd)**

(l) Share capital

(i) Ordinary shares

An equity instrument 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 transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(ii) Warrants

Warrants are classified as equity instruments. The issuance of ordinary shares upon exercise of warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Upon exercise of the warrants, the proceeds are credited to share capital and the related warrant reserves are reversed. The warrant reserves in relation to unexercised warrants at the expiry of the warrants will be reversed into retained earnings.

(m) Compound financial instruments

A compound financial instrument is a non-derivative financial instrument that contains both a liability and an equity component. Compound financial instruments issued by the Company comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

3. **Significant Accounting Policies (Cont'd)**

(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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each 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. If 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.

Any reimbursement that the Group and of 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. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

Provisions for the expected cost of warranty obligations for general repairs of defects are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's and the Company's obligation. These assurance-type warranties are accounted for under MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets* when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

3. **Significant Accounting Policies (Cont'd)**

(o) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group recognises revenue from the following major sources:

(a) Rendering of services

Revenue from services and management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(ii) 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.

3. **Significant Accounting Policies (Cont'd)**

(p) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group have no further payment obligations.

(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.

3. **Significant Accounting Policies (Cont'd)**

(p) Employee benefits (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 transaction

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 recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Company's financial statements.

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.

When the options are exercised, the Company issues new 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 retained earnings.

3. **Significant Accounting Policies (Cont'd)**

(q) Income tax

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

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.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. 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 measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

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.

3. **Significant Accounting Policies (Cont'd)**

(r) 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.

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(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 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.

3. **Significant Accounting Policies (Cont'd)**

(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) 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.

(c) 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.

3. **Significant Accounting Policies (Cont'd)**

(v) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as 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 measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement 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.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. **Property, Plant and Equipment**

	Computers RM	Furniture and fittings RM	Office equipment RM	Renovations RM	Motor vehicles RM	Freehold office building RM	Capital work-in-progress RM	Total RM
Group								
2022								
Cost								
At 1 October	2,994,597	228,274	547,288	716,454	4,483	-	500,000	4,991,096
Additions	208,844	-	351,718	114,625	-	17,897,800	-	18,572,987
Written off	(1,918,531)	(211,789)	(247,136)	(22,044)	-	-	-	(2,399,500)
Exchange differences	3,995	505	2,468	3,231	168	-	-	10,367
At 30 September	1,288,905	16,990	654,338	812,266	4,651	17,897,800	500,000	21,174,950
Accumulated depreciation								
At 1 October	2,792,478	226,766	431,492	216,733	3,745	-	-	3,671,214
Charge for the financial year	289,104	576	63,400	232,883	-	-	-	585,963
Written off	(1,918,531)	(211,789)	(247,136)	(22,044)	-	-	-	(2,399,500)
Exchange differences	3,162	(198)	4,067	2,867	906	-	-	10,804
At 30 September	1,166,213	15,355	251,823	430,439	4,651	-	-	1,868,481
Carrying amount								
At 30 September	122,692	1,635	402,515	381,827	-	17,897,800	500,000	19,306,469

4. **Property, Plant and Equipment (Cont'd)**

	Computers RM	Furniture and fittings RM	Office equipment RM	Renovations RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Group							
2021							
Cost							
At 1 July	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)
Written off	(2,653,447)	(520)	(20,222)	(8,956)	-	-	(2,683,145)
Exchange differences	(209,080)	(6,402)	(16,228)	(13,495)	(107)	-	(245,312)
At 30 September	2,994,597	228,274	547,288	716,454	4,483	500,000	4,991,096
Accumulated depreciation							
At 1 July	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)
Written off	(2,493,011)	(518)	(20,211)	(8,955)	-	-	(2,522,695)
Exchange differences	(118,895)	(5,830)	(12,269)	(10,439)	(107)	-	(147,540)
At 30 September	2,792,478	226,766	431,492	216,733	3,745	-	3,671,214
Carrying amount							
At 30 September	202,119	1,508	115,796	499,721	738	500,000	1,319,882

4. **Property, Plant and Equipment (Cont'd)**

	Computers RM	Furniture and fittings RM	Office equipment RM	Renovations RM	Total RM
Company					
2022					
Cost					
At 1 October	-	-	-	39,636	39,636
Additions	19,804	-	-	-	19,804
At 30 September	19,804	-	-	39,636	59,440
Accumulated depreciation					
At 1 October	-	-	-	36,009	36,009
Charge for the financial year	2,723	-	-	2,799	5,522
At 30 September	2,723	-	-	38,808	41,531
Carrying amount					
At 30 September	17,081	-	-	828	17,909
2021					
Cost					
At 1 July	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	-	-	-	39,636	39,636
Accumulated depreciation					
At 1 July	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	-	-	-	36,009	36,009
Carrying amount					
At 30 September	-	-	-	3,627	3,627

5. **Right-of-Use Assets**

	Office buildings RM	**Office equipment RM**	**Motor vehicles RM**	**Total RM**
Group				
2022				
Cost				
At 1 October	1,113,455	1,025,447	963,124	3,102,026
Addition	-	-	308,642	308,642
Disposal	-	-	(209,142)	(209,142)
Exchange differences	3,955	-	-	3,955
At 30 September	1,117,410	1,025,447	1,062,624	3,205,481
Accumulated depreciation				
At 1 October	758,139	1,025,447	472,965	2,256,551
Charge for the financial year	263,096	-	219,834	482,930
Disposal	-	-	(181,256)	(181,256)
Exchange differences	2,839	-	-	2,839
At 30 September	1,024,074	1,025,447	511,543	2,561,064
Carrying amount				
At 30 September	93,336	-	551,081	644,417

5. **Right-of-Use Assets (Cont'd)**

	Office buildings RM	Office equipment RM	Motor vehicles RM	Total RM
Group				
2021				
Cost				
At 1 July	1,113,455	1,025,447	563,138	2,702,040
Addition	-	-	399,986	399,986
At 30 September	1,113,455	1,025,447	963,124	3,102,026
Accumulated depreciation				
At 1 July	477,326	911,508	272,183	1,661,017
Charge for the financial period	280,813	113,939	200,782	595,534
At 30 September	758,139	1,025,447	472,965	2,256,551
Carrying amount				
At 30 September	355,316	-	490,159	845,475

(a) Purchase of right-of-use assets

The aggregate cost of the purchase of right-of-use assets of the Group and of the Company during the financial year under the lease and cash payment are as follows:

	Group 2022 RM	Group 2021 RM
Aggregate costs	308,642	399,986
Less: Lease liabilities	(279,000)	(359,000)
Cash payments	29,642	40,986

(b) Assets held under finance leases

Included in the above, office equipment with carrying amount of RM551,081 (2021: RM490,159) of the Group are pledged as securities for the related lease liabilities as disclosed in Note 16.

6. **Intangible Assets**

	Goodwill RM	Intellectual property RM	Software license RM	Development cost RM	Total RM
Group					
2022					
Cost					
At 1 October	2,805,415	6,609,387	41,188,394	12,682,295	63,285,491
Additions	-	2,458,760	4,616	-	2,463,376
Exchange differences	-	(55,816)	3,875,662	(8,668)	3,811,178
At 30 September	2,805,415	9,012,331	45,068,672	12,673,627	69,560,045
Accumulated amortisation and impairment losses					
At 1 October	2,805,415	3,033,897	24,440,520	4,466,893	34,746,725
Amortisation	-	284,004	5,394,799	-	5,678,803
Impairment loss	-	4,120,611	-	-	4,120,611
Exchange differences	-	(21,340)	2,380,799	-	2,359,459
At 30 September	2,805,415	7,417,172	32,216,118	4,466,893	46,905,598
Carrying amount					
At 30 September	-	1,595,159	12,852,554	8,206,734	22,654,447

6. **Intangible Assets (Cont'd)**

	Goodwill RM	Intellectual property RM	Software license RM	Development cost RM	Total RM
Group					
2021					
Cost					
At 1 July	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	2,805,415	6,609,387	41,188,394	12,682,295	63,285,491
Accumulated amortisation and impairment losses					
At 1 July	2,805,415	2,524,082	16,842,798	3,466,893	25,639,188
Amortisation	-	652,704	3,837,028	-	4,489,732
Impairment loss	-	-	2,497,955	1,000,000	3,497,955
Exchange differences	-	(142,889)	1,262,739	-	1,119,850
At 30 September	2,805,415	3,033,897	24,440,520	4,466,893	34,746,725
Carrying amount					
At 30 September	-	3,575,490	16,747,874	8,215,402	28,538,766

6. **Intangible Assets (Cont'd)**

	Software license RM	Development cost RM	Total RM
Company			
2022			
Cost			
At 1 October/30 September	4,241,442	1,220,650	5,462,092
Accumulated amortisation and impairment loss			
At 1 October/30 September	4,241,442	1,220,650	5,462,092
Carrying amount			
At 30 September	-	-	-
2021			
Cost			
At 1 July/30 September	4,241,442	1,220,650	5,462,092
Accumulated depreciation and impairment loss			
At 1 July/30 September	4,241,442	1,220,650	5,462,092
Carrying amount			
At 30 September	-	-	-

(a) Impairment testing for cash-generating units ("CGU")

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.

A pre-tax discount rates of 9.3% (2021: 6%) per annum were applied in determining the recoverable amounts of the CGUs. The discount rate used are pre-tax and reflect the specific risks relating to the respective CGU.

Based on the assessment on impairment, an impairment loss of RM4,120,611 (2021: RM3,497,955) was recognised in the profit or loss.

7. **Investment in Subsidiary Companies**

	Company 2022 RM	2021 RM
In Malaysia		
At cost		
Unquoted shares	500,000	500,000
Less: Accumulated impairment losses	(500,000)	(500,000)
	-	-
Outside Malaysia		
At cost		
Unquoted shares	8,197,635	6,961,765
Less: Accumulated impairment losses	(6,961,764)	(6,383,669)
	1,235,871	578,096
	1,235,871	578,096

The subsidiary companies and shareholdings therein are as follows:

Name of Company	Place of business/ Country of incorporation	Effect Interest 2022 %	2021 %	Principal Activities
Direct holding:				
mTouche International Sdn. Bhd.	Malaysia	100	100	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 insdustry
PT mTouche*	Indonesia	49	49	Provider of mobile messaging technology

7. **Investment in Subsidiary Companies (Cont'd)**

The subsidiary companies and shareholdings therein are as follows: (Cont'd)

Name of Company	Place of business/ Country of incorporation	Effect Interest 2022 %	2021 %	Principal Activities
Direct holding: (Cont'd)				
mTouche (Thailand) Co. Ltd.*	Thailand	99.99	99.94	Provision of mobile applications and related technology services
mTouche (HK) Ltd.*	Hong Kong	100	100	Provider of mobile messaging content services
mTouche (Vietnam) Co. Ltd.*	Vietnam	100	100	Provide mobile messaging technologies, billing platforms and interactive media solutions based on wireless and internet technologies
mTouche Technology Philippines Inc.*	Philippines	99.99	99.99	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 and hardware maintenance.
mTouche Combodia Co. Ltd.** #	Cambodia	100	100	Dormant

7. **Investment in Subsidiary Companies (Cont'd)**

The subsidiary companies and shareholdings therein are as follows: (Cont'd)

Name of Company	Place of business/ Country of incorporation	Effect Interest 2022 %	Effect Interest 2021 %	Principal Activities
Held through mTouche (Vietnam) Co. Ltd.:				
Mobile Asia Vietnam Co. Ltd.*	Vietnam	100	100	Provide mobile messaging technologies, billing platforms and interactive media solutions based on wireless and internet technologies
Held through mTouche (HK) Ltd:-				
mTouche E Wallet (HK) Limited*	Hong Kong	100	100	Dormant

* *Subsidiary companies not audited by UHY*
** *This subsidiary is dormant and do not have significant activities.*
\# *The subsidiary is exempted from from statutory audit as permitted by the authority in the relevant country*

(a) Material partly-owned subsidiary companies

Set out below are the Group's subsidiary companies that have material non-controlling interest:

Name of Company	Proportion of ownership interests and voting rights held by non-controlling interests 2022 %	2021 %	(Loss)/Profit allocated to non-controlling interests 2022 RM	2021 RM	Accumulated non-controlling interests 2022 RM	2021 RM
PT mTouche ("PTMT")	51	51	(43,200)	12,041	(1,731,140)	(1,687,940)
Individually immaterial subsidiary companies with non-controlling interests					(39)	2,349
Total non-controlling interests					(1,731,179)	(1,685,591)

7. **Investment in Subsidiary Companies (Cont'd)**

(a) Material partly-owned subsidiary companies

Summarised financial information for PTMT that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

	PTMT	
	2022	**2021**
	RM	**RM**
Summarised statement of financial position		
Non-current assets	8,503	14,940
Current assets	236,876	334,266
Non-current liabilities	(78,227)	6,089
Current liabilities	(3,561,542)	(3,330,945)
Net liabilities	(3,394,390)	(2,975,650)

	2022	**2021**
	RM	**RM**
Summarised statement of profit or loss and other comprehensive income		
Revenue	202,632	239,998
(Loss)/Profit for the financial year/period	(84,706)	23,609
Total comprehensive (loss)/income for the financial year/period	(166,846)	214,049
Summarised statement of cash flows		
Net cash used in operating activities	(127,383)	(521,173)
Net cash used in investing activities	(1,368)	(6,726)
Net cash from financing activities	-	632,708
Net (decrease)/increase in cash and cash equivalents	(128,751)	104,809

7. **Investment in Subsidiary Companies (Cont'd)**

(b) Acquisition of subsidiary companies

During the financial year, MTB increased an additional 100,000 shares in mTouche (Thailand) Co. Ltd. ("MCL"), representing 99.99% equity interest of the enlarged share capital of 110,000. As at 30 September 2022, MTB's investment in MCL is 109,998 shares.

8. **Deferred Tax Assets/(Liabilities)**

	Group		**Company**	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
At 1 October/1 July	2,305,286	2,028,888	-	-
Recognised in profit or loss	(101,568)	485,571	-	-
Recognised in other comprehensive income	-	10,754	-	-
Exchange differences	(26,439)	(219,927)	-	-
At 30 September	2,177,279	2,305,286	-	-

8. **Deferred Tax Assets/(Liabilities) (Cont'd)**

The components and movement of deferred tax assets at the end of the reporting period prior to offsetting are as follows:

Deferred tax assets of the Group

	Defined benefit obligation RM	Impairment of trade receivables RM	Provision of impairment of intangible assets RM	Unutilised tax losses RM	Total RM
Deferred tax assets					
Group					
2022					
At 1 October	80,046	1,559,555	12,366	653,319	2,305,286
Recognised in profit or loss	14,139	36,727	-	(152,434)	(101,568)
Exchange difference	(1,204)	(18,376)	(144)	(6,715)	(26,439)
At 30 September	92,981	1,577,906	12,222	494,170	2,177,279
2021					
At 1 July	188,811	1,699,336	-	140,741	2,028,888
Recognised in profit loss	(40,323)	29,719	-	525,894	515,290
Recognised in other comprehensive income	130,756	(1,612)	12,366	-	141,510
Exchange difference	(199,198)	(167,888)	-	(13,316)	(380,402)
At 30 September	80,046	1,559,555	12,366	653,319	2,305,286

8. **Deferred Tax Assets/(Liabilities) (Cont'd)**

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Unutilised tax losses	9,219,585	5,386,370	5,815,382	4,129,149
Unabsorbed capital allowances	1,825,237	1,619,269	11,883	-
	11,044,822	7,005,639	5,827,265	4,129,149

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

9. **Trade Receivables**

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Trade receivables:	23,435,985	31,101,021	-	934,901
Less: Accumulated impairment losses	(13,278,438)	(16,956,461)	-	(934,901)
	10,157,547	14,144,560	-	-

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2021: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

9. **Trade Receivables (Cont'd)**

Movements in the allowance for impairment losses for trade receivables are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
At 1 October/1July	16,956,461	18,896,781	934,901	934,901
Impairment losses recognised	186,535	6,466	-	-
Written off	(3,864,558)	(1,946,786)	(934,901)	-
At 30 September	13,278,438	16,956,461	-	934,901

Analysis of the trade receivables ageing as at the end of the financial year is as follows:

	Gross amount RM	Loss allowance RM	Net Amount RM
Group			
2022			
Neither past due nor impaired	8,276,194	-	8,276,194
Past due not impaired:			
Less than 30 days	479,855	-	479,855
31 to 60 days	2,812	-	2,812
More than 60 days	1,398,686	-	1,398,686
	1,881,353	-	1,881,353
Credit impaired:			
Individual impaired	13,278,438	(13,278,438)	-
	23,435,985	(13,278,438)	10,157,547
2021			
Neither past due nor impaired	13,357,219	-	13,357,219
Past due not impaired:			
Less than 30 days	125,749	-	125,749
31 to 60 days	58,211	-	58,211
61 to 90 days	577,312	-	577,312
More than 90 days	26,069	-	26,069
	787,341	-	787,341
Credit impaired:			
Individual impaired	16,956,461	(16,956,461)	-
	31,101,021	(16,956,461)	14,144,560

9. **Trade Receivables (Cont'd)**

Analysis of the trade receivables ageing as at the end of the financial year is as follows: (Cont'd)

	Gross amount RM	Loss allowance RM	Net Amount RM
Company			
2021			
Credit impaired:			
Individual impaired	934,901	(934,901)	-

As at 30 September 2022, trade receivables of the Group amounting to RM1,881,353 (2021: RM787,341) were past due but not impaired. These relate to a number of customers from whom there is no recent history of default.

Trade receivables of the Group and of the Company that are individually determined to be impaired amounting to RM13,278,438 and Nil (2021: RM16,956,461 and RM934,901) at the reporting date relate to debtors that are in financial difficulties, have defaulted on payments and/or dispute billings. These receivables are not secured by any collateral or credit enhancements.

10. **Other Receivables**

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current				
Other receivables	16,700,000	16,700,000	16,700,000	16,700,000
Less: Accumulated impairment losses	(16,700,000)	(16,700,000)	(16,700,000)	(16,700,000)
	-	-	-	-

10. **Other Receivables (Cont'd)**

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Current				
Other receivables				
Sundry receivables	29,105,554	27,592,774	25,870,768	25,578,657
Less: Accumulated impairment losses	(24,790,885)	(24,683,655)	(24,781,498)	(24,683,655)
	4,314,669	2,909,119	1,089,270	895,002
Goods and Service Tax/Value added tax	57,507	66,589	-	-
Prepayments	964,750	1,047,318	-	-
Deposits	23,715,014	13,582,330	3,269	3,269
	29,051,940	17,605,356	1,092,539	898,271

The Group's and the Company's other receivables are non-trade, unsecured, interest-free and are repayable on demand.

Movements in allowance for impairment losses of other receivables are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
At 1 October/1 July	41,383,655	47,770,916	41,383,655	43,665,513
Impairment losses recognised	107,230	-	97,843	-
Written off	-	(6,387,261)	-	(2,281,858)
At 30 September	41,490,885	41,383,655	41,481,498	41,383,655

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

11. **Amount due From Subsidiary Companies**

	Company 2022 RM	Company 2021 RM
Amount due from subsidiary companies		
- Non-trade in nature	141,438,353	100,420,659
	141,438,353	100,420,659
Less: Accumulated impairment losses		
- Non-trade in nature	(8,992,671)	(5,246,880)
	(8,992,671)	(5,246,880)
	132,445,682	95,173,779

Movements in impairment losses on amount due from subsidiary companies during the financial year are as follows:

	Company 2022 RM	Company 2021 RM
At 1 October/1 July	5,246,880	5,246,880
Impairment loss recognised	3,745,791	-
At 30 September	8,992,671	5,246,880

Trade balances is given credit term of 30 to 90 days (2021: 30 to 90 days).

Non-trade balances is unsecured, interest-free and repayable on demand.

12. Other Investments

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Financial assets at fair value through profit or loss				
At fair value: -				
Quoted shares in Malaysia	84,859	507,880	84,859	507,880
Market value of quoted share a investment	84,859	507,880	84,859	507,880

13. Cash and Bank Balances

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Cash and bank balances	50,577,928	85,841,956	37,886,767	82,808,773
Deposit with licensed banks	15,756,546	15,453,087	15,738,823	15,437,045
Total cash and bank balances	66,334,474	101,295,043	53,625,590	98,245,818

Deposits with licensed banks are made for varying period between 90 and 365 (2021: 90 and 365) days depending on the immediate cash requirements of the Group and of the Company and earn interest 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 0.05% to 4.10% (2021: 1.85% to 4.10%) per annuum.

The maturities of these deposits at the respective reporting dates ranged dates from 90 to 365 (2021: 90 to 365) days.

14. **Share Capital**

	Group and Company			
	Number of Shares		**Amount**	
	2022	**2021**	**2022**	**2021**
	Units	**Units**	**RM**	**RM**
Ordinary shares with no par value				
Issued and fully paid shares				
At 1 October /1 July	926,719,101	706,903,273	242,386,011	121,398,378
Issuance of new shares pursant to:				
- private placement	-	430,947,827	-	26,169,677
- exercise of ESOS	-	186,105,738	-	15,385,614
- share consolidation	-	(1,191,561,154)	-	-
- rights issue	-	794,323,417	-	79,432,342
At 30 September	926,719,101	926,719,101	242,386,011	242,386,011

In the previous financial period, the Company increased its issued and paid-up ordinary share capital from RM121,398,378 to RM242,386,011 by way of:

a.) 430,947,827 new ordinary shares through private placement at issue price range from RM0.0587 to RM0.0618 for a total cash consideration of RM26,169,667 for working capital purposes;

b.) 186,105,738 new ordinary shares through Employee Share Option Scheme at an issue price of RM0.083 per share for a total cash consideration of RM15,385,614 for working capital purposes; and

c.) 794,374,098 new ordinary shares through right issue at an issue price of RM0.10 together with up to 397,187,049 free detachable waraants on the basis of 6 rights shares together with 3 free warrants D for every 1 existing share held by the entitled by the shareholders of the Company.

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.

15. **Reserves**

		Group		Company	
		2022	**2021**	**2022**	**2021**
	Note	**RM**	**RM**	**RM**	**RM**
Non-distributable					
Foreign currency translation reserve	(a)	(6,351,501)	(3,717,294)	-	-
Employee share option reserve	(b)	-	-	-	-
Warrant reserve	(c)	39,716,171	39,716,171	39,716,171	39,716,171
Discount on shares		(39,716,171)	(39,716,171)	(39,716,171)	(39,716,171)
Other capital reserve		1,464,843	1,464,843	-	-
		(4,886,658)	(2,252,451)	-	-

The nature of reserves of the Group and of the Company is as follows:

(a) Foreign currency translation reserve

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

(b) Employee share option reserve

Employee share option 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.

15. **Reserves (Cont'd)**

The nature of reserves of the Group and of the Company is as follows: (Cont'd)

(c) Warrant reserve

Warrants are classified as equity investment and the value is allocated based on the closing price on the first trading day and recognised in the warrant reserve.

The issuance of ordinary shares upon exercise of the warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Warrant reserve represents cumulative fair value of the warrants yet to be exercised.

The warrants are valid to be exercised for a period of 3 years from its issue date and ending on 2 June 2024 ("Exercise Period"). During the Exercise Period, each warrant shall entitle its registered holder to subscribe for one new ordinary share of the Company at an exercise price of RM0.10 per warrant in accordance with the provisions of the Deed Poll dated 19 April 2021. Any warrants not exercised will lapse thereafter and cease to be valid.

At end of the current financial year, the remaining 397,161,708 (2021: 397,161,708) warrants remain unexercised.

(d) Discount on shares

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

(e) Other capital reserve

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

16. **Lease Liabilities**

	Group	
	2022	**2021**
	RM	**RM**
At 1 October/1 July	902,406	1,092,831
Additions	279,000	359,000
Payments	(572,242)	(549,425)
At 30 September	609,164	902,406
Presented as:		
Non-Current	397,473	526,103
Current	211,691	376,303
	609,164	902,406

The maturity analysis of lease liabilities of the Group at the end of the reporting period:

	Group	
	2022	**2021**
	RM	**RM**
Within one year	230,154	376,303
Later than one year and not later than two years	122,544	664,684
Later than two years and not later than five years	341,191	-
	693,889	1,040,987
Less: Future finance charges	(84,725)	(138,581)
Present value of lease liabilities	609,164	902,406

The Group leases office equipment, server and printer. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

17. **Defined Benefit Obligations**

	Group 2022 RM	Group 2021 RM
Present value of funded obligations:		
-MCL ("MCL pension plan")	545,993	426,532
-PTMT ("PTMT pension plan")	23,443	6,089
Asset/(Liability) in statement of financial position	569,436	432,621

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 movement in the present value of defined benefit obligations is:

	Group MCL pension plan RM	Group PTMT pension plan RM	Group Total RM
2022			
At 1 October	426,532	6,089	432,621
Recognise in profit or loss:			
Current service cost	70,696	5,435	76,131
Past service cost	-	-	-
Interest expenses	-	1,864	1,864
Benefit paid by shares	-	(23,232)	(23,232)
Remeasurement of post-employment benefit expense	-	31,757	31,757
Foreign exchange translation differences	48,765	1,530	50,295
At 30 September	545,993	23,443	569,436

17. **Defined Benefit Obligations (Cont'd)**

The movement in the present value of defined benefit obligations is: (Cont'd)

	MCL pension plan RM	PTMT pension plan RM	Total RM
2021			
At 1 July	765,224	117,054	882,278
Recognise in profit or loss:			
Current service cost	-	6,252	6,252
Past service cost			-
Interest expenses	-	18,965	18,965
Benefit paid by shares	-	(73,748)	(73,748)
Actuarial gain recognised in other comprehensive income	(240,641)	-	(240,641)
Remeasurement of post-employment benefit expense	-	(58,423)	(58,423)
Foreign exchange translation differences	(98,051)	(4,011)	(102,062)
At 30 September	426,532	6,089	432,621

18. **Trade Payables**

Credit terms of trade payables of the Group and Company ranged from 60 to 90 days (2021: 60 to 90 days) depending on the terms of the contracts.

19. **Other Payables**

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Sundry payables	1,112,289	1,162,721	-	-
Accruals	1,458,060	1,499,713	448,499	388,848
Goods and Services Tax/Value Added Tax	15,347	179,021	-	-
	2,585,696	2,841,455	448,499	388,848

20. **Revenue**

The Group's revenue disaggregated by geographical markets are as follows: -

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Indonesia	202,632	239,999	-	-
Malaysia	14,137,255	13,899,593	-	-
Thailand	6,357,465	2,918,685	-	-
Vietnam	503,102	1,767,030	-	-
	21,200,454	18,825,307	-	-

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Revenue from contracts with customers:				
Major goods and services:				
- Sale of license software	7,819,102	654,730	-	-
- Sale of Covid-19 rapid antigen test kits	6,529,175	13,500,815	-	-
- Rendering of services	6,852,177	4,669,762	-	-
	21,200,454	18,825,307	-	-
Timing of revenue recognition:				
At a point in time	14,348,277	14,155,545	-	-
Overtime	6,852,177	4,669,762	-	-
Total revenue from contracts with customers	21,200,454	18,825,307	-	-

21. Loss Before Tax

Loss before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration				
- Statutory audit:				
- current year	302,976	209,744	200,000	160,000
- (over)/underprovision in prior years	(17,999)	-	(29,999)	19,999
- Non-statutory audit	5,000	-	5,000	-
Amortisation of intangible assets	5,678,803	4,489,732	-	-
Depreciation of property, plant and equipment	585,963	1,686,569	5,522	49,420
Depreciation of right-of-use assets	482,930	595,534	-	-
Foreign exchange (gain)/losses:-				
- realised	(4,314)	(32,538)	-	(32,602)
- unrealised	(3,399,023)	923,845	84,701	(102,227)
Impairment losses on:				
- investment in subsidiaries	-	-	578,095	-
- trade receivables	186,535	6,466	-	-
- other receivables	107,230	-	97,843	-
- amount due from subsidiary companies	-	-	3,745,791	-
Operating lease:-				
- minimum lease payments for office space	133,750	189,783	-	-
- minimum lease payments for equipnment	4,320	5,400	-	-
Property, plant and equipment written off	-	184,180	-	150,439
Fair value loss on other investment	432,021	296,761	432,021	296,761
Impairment losses on intangible assets	4,120,611	3,497,955	-	-
Share based payment expenses	-	4,587,927	-	4,587,927

21. **Loss Before Tax (Cont'd)**

Loss before tax is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Interest income on placement on fixed deposits	(1,923,788)	(983,219)	(1,919,426)	(915,280)
Interest expenses on lease liabilities	48,891	143,832	-	-
(Gain)/Loss on disposal of right-of-use assets	(92,114)	3,664	-	-

22. **Taxation**

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Tax expenses recognised in profit or loss:				
Deferred tax (Note 8):				
Origination and reversal of temporary differences	101,568	(526,044)	-	-
	101,568	(526,044)	-	-
Tax expenses/(credit) for the financial year/period	101,568	(526,044)	-	-
Income tax relating to items of other comprehensive income that will not be reclassified to profit or loss				
Deferred tax related to net loss on actuarial, represting income tax charged to OCI	-	(141,510)	-	-
Tax expenses/(credit) the financial year/period	101,568	(667,554)	-	-

22. **Taxation (Cont'd)**

Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expenses applicable to loss before tax at the statutory tax rate to income tax expenses at the effective income tax of the Group and of the Company are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Loss before tax	(11,036,269)	(22,674,113)	(6,766,802)	(7,419,304)
At Malaysian statutory tax rate of 24% (2021: 24%)	(2,648,705)	(5,441,787)	(1,624,032)	(1,780,633)
Different tax rates in other countries	75,053	818,950	-	-
Income not subject to tax	(16,616)	-	-	-
Expenses not deductible for tax purposes	1,722,432	1,994,002	1,216,484	540,106
Deferred tax assets not recognised	969,404	2,102,791	407,548	1,240,527
Tax expenses/(credit) for the financial year/period	101,568	(526,044)	-	-

The Group and the Company have the following estimated unutilized tax losses and unabsorbed capital allowances available to carry forward to offset against future taxable profit. The said amounts are subject to approval by the tax authorities.

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Unutilised tax losses	11,278,627	7,445,412	5,815,382	4,129,149
Unabsorbed capital allowances	1,825,237	1,619,269	11,883	-
	13,103,864	9,064,681	5,827,265	4,129,149

22. **Taxation (Cont'd)**

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the unutilised tax losses of the Group and of the Company will be imposed with a time limit of utilisation. Any accumulated unused tax losses brought forward can be carried forward for a maximum period of 7 consecutive years of assessment. With effect from year of assessment 2022, unutilised tax losses that were allowed to be carried forward up to seven consecutive years was extended to a maximum of ten consecutive years of assessment under the current tax legislation. The unabsorbed capital allowances do not expire under current tax legislation.

Pursuant to Section 44 (5F) of the Income Tax Act 1967, the unutilised tax losses can only be carried forward until the following years of assessment.

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Unutilised tax losses to be carried forward until:				
- Year of assessment 2028	3,264,585	3,264,585	3,260,958	3,260,958
- Year of assessment 2029	551,422	551,422	-	-
- Year of assessment 2030	3,629,405	3,629,405	868,191	868,191
- Year of assessment 2031	3,833,215	-	1,686,233	-
	11,278,627	7,445,412	5,815,382	4,129,149

23. **Loss Per Share**

(i) Basic loss per share

The basic loss per share is calculated based on the consolidated loss for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2022	**2021**
	RM	**RM**
Loss attributable to owners of the parent	(10,914,069)	(22,158,631)
Weighted average number of ordinary shares for basic losses per share computation	347,944,491	347,944,491
Basic loss per share (in sen)	(3.14)	(6.37)

23. **Loss Per Share (Cont'd)**

(ii) Diluted loss per share

The number of shares under warrants was not taken into account in the computation of diluted loss per share as the warrants do not have any dilutive effect on weighted average number of ordinary shares.

There have been no other transaction involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

	Group	
	2022	**2021**
	RM	**RM**
Loss attributable to owners of the parent	(10,914,069)	(22,158,631)
Weighted average number of ordinary shares used in the calculation of basic loss per share	347,944,491	347,944,491
Adjustment for incremental shares from assumed conversions		
- warrants	-	397,161,708
Weighted average number of ordinary shares at 30 September	347,944,491	745,106,199
Diluted loss per share (in sen)	(3.14)	(2.97)

24. **Staff Costs**

	Group		**Company**	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Salaries, wages, bonuses and allowances	3,268,556	4,326,193	787,250	888,565
Defined contribution plans	216,678	209,020	27,885	35,393
Social security contributions	24,110	22,355	923	1,154
Other benefits	154,542	259,436	6,304	45,180
	3,663,886	4,817,004	822,362	970,292

24. **Staff Costs (Cont'd)**

Included in staff costs is aggregate amount of remuneration received and receivables by the Directors of the Company and of the subsidiary companies during the financial year as below:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Executive Directors				
Salaries and other emoluments	624,250	807,381	624,250	807,381
Defined contribution plans	27,885	35,393	27,885	35,393
Social security contributions	923	1,154	923	1,154
	653,058	843,928	653,058	843,928
Non-Executive Directors				
Directors of the Company				
- Directors' fees	163,000	162,565	163,000	162,565
Total Directors' remuneration	816,058	1,006,493	816,058	1,006,493

25. **Employees Share Options Scheme ("ESOS")**

At the Extraordinary General Meeting held on 23 January 2017, the Company's shareholders approved the 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 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.

25. **Employees Share Options Scheme ("ESOS") (Cont'd)**

(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;

(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 2022 RM	2021 RM
At 1 October/1 July	-	-
Granted during the financial year/period	-	186,105,738
Exercise during the financial year/period	-	(186,105,738)
At 30 September	-	-
Exercise price	N/A	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.

25. **Employees Share Options 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	0.0650	0.0550	0.0550	0.0600
Share price of the Company at grant date	0.0600	0.0550	0.0550	0.0650
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%

26. **Reconciliation of Liabilities Arising from Financing Activities**

	At 1 July/October RM	**Financing cash flows (i) RM**	**Non-cash changes New leases RM**	**At 30 June RM**
Group				
2022				
Lease liabilities	902,406	(572,242)	279,000	609,164
2021				
Lease liabilities	1,092,831	(549,425)	359,000	902,406

27. **Related Party Disclosures**

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

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.

(c) Compensation of key management personnel

Remuneration of Directors is disclosed in Note 24. Aggregate amount of remuneration received and receivables by other key management personnel is as follows:

	Group		**Company**	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Short-term employee benefits	1,174,892	808,535	1,174,892	808,535
Defined contribution plans	28,808	35,393	28,808	35,393
	1,203,700	843,928	1,203,700	843,928

28. **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 receivable	**9, 10**
Cash and bank balances	**13**
Trade and other payable	**18, 19**

The table below summaries the method used in determining the fair value of financial instruments on a recurring basis at financial year end:-

Financial instruments	**Fair value as at**		**Fair value**	**Valuation technique and key inputs**
	2022	**2021**		
	RM	**RM**		
Group				
Assets				The fair value of quoted
Other				shares are determined by
investments	84,859	507,880	Level 1	reference to their
				published market closing
Company				price or the quoted
Other				closing bid as of the
investments	84,859	507,880	Level 1	reporting date.

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.

29. **Segment Information**

The main business segments of the Group comprise the following:

Matured markets	Countries that have saturated markets which include Malaysia, Hong Kong and Thailand.
Emerging markets	Countries with potential growth and low penetration rate which include Indonesia, Vietnam, Cambodia and Philippines.

Except as indicated above, no operating segments have 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 profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Information about segment assets and liabilities are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

29. **Segment Information (Cont'd)**

	Matured markets RM	Emerging markets RM	Total segments RM	Adjustments and elimination RM	Note	As per consolidated financial statements RM
Group						
2022						
Revenue						
External customers	20,494,720	705,734	21,200,454	-		21,200,454
Inter-segment	-	465,081	465,081	(465,081)	(a)	-
Total revenue	20,494,720	1,170,815	21,665,535	(465,081)		21,200,454
Results						
Interest income	1,919,426	4,362	1,923,788	-		1,923,788
Interest expenses	259,643	-	259,643	(210,752)		48,891
Depreciation and amortisation	6,739,481	8,215	6,747,696	-		6,747,696
Other non-cash income/(expenses)	5,813,098	421,234	6,234,332	(4,892,386)	(b)	1,341,946
Segment loss before tax	(14,967,847)	(938,539)	(15,906,386)	4,870,117		(11,036,269)
Taxation	(101,568)	-	(101,568)	-		(101,568)
Loss for financial year	(15,069,415)	(938,539)	(16,007,954)	4,870,117		(11,137,837)
Assets						
Addition to plant and equipment	18,571,482	1,368	18,572,850	-		18,572,850
Tax recoverable	127,612	2,493	130,105	-		130,105
Deferred tax assets	2,193,496	-	2,193,496	(16,217)		2,177,279
Segment assets	284,282,947	872,933	285,155,880	(134,614,343)		150,541,537
Segement liabilities	141,574,366	6,608,266	148,182,632	(142,409,709)		5,772,923

29. **Segment Information (Cont'd)**

	Matured markets RM	Emerging markets RM	Total segments RM	Adjustments and elimination RM	Note	As per consolidated financial statements RM
Group						
2021						
Revenue						
External customers	16,212,504	2,612,803	18,825,307	-		18,825,307
Inter-segment	605,774	-	605,774	(605,774)	(a)	-
Total revenue	16,818,278	2,612,803	19,431,081	(605,774)		18,825,307
Results						
Interest income	(979,792)	(3,427)	(983,219)	-		(983,219)
Interest expenses	143,832	-	143,832	-		143,832
Depreciation and amortisation	8,181,338	15,614	8,196,952	-		8,196,952
Other non-cash income/(expenses)	9,263,506	45,791	9,309,297	-	(b)	9,309,297
Segment (loss)/profit before tax	(24,298,412)	(258,899)	(24,557,311)	1,883,198		(22,674,113)
Taxation	526,044	-	526,044	-		526,044
Loss for financial year	(23,772,368)	(258,899)	(24,031,267)	1,883,198		(22,148,069)
Assets						
Addition to property, plant and equipment	583,106	6,221	589,327	-		589,327
Tax recoverable	256,745	7,024	263,769	-		263,769
Deferred tax assets	2,321,503	-	2,321,503	(16,217)		2,305,286
Segment assets	260,908,818	2,025,757	262,934,575	(96,108,558)		166,826,017
Segement liabilities	102,084,395	7,194,820	109,279,215	(100,815,676)		8,463,539

29. **Segment Information (Cont'd)**

(a) Adjustments and eliminations

Inter-segment revenues are eliminated on consolidation.

(b) Other non-cash income/(expenses) consist of following as presented in the respective notes to the financial statements:

		Group	
		2022	**2021**
	Note	**RM**	**RM**
Impairment losses on financial assets	21	293,765	6,466
Fair value loss on other investment	21	423,021	296,761
Impairment losses on intangible assets	21	4,120,611	3,497,955
Share based payment expenses	21	-	4,587,927
Unrealised foreign exchange (gain)/loss	21	(3,399,023)	923,845
Realised foreign exchange gain	21	(4,314)	(32,538)
Increase in liability for defined benefits obligation	21	-	25,217
(Gain)/Loss on disposal of plant and equipment	21	(92,114)	3,664
		1,341,946	9,309,297

(c) Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are follows:

	Malaysia	Other Asian Contries	Total
	RM	**RM**	**RM**
2022			
Revenue from external customers	14,137,255	7,063,199	21,200,454
Non-current assets (exclude deferred tax assets)	23,266,308	19,339,025	42,605,333
Segment assets	121,920,205	28,621,332	150,541,537
Segment liabilities	(2,215,314)	(3,557,610)	(5,772,924)
2021			
Revenue from external customers	13,899,593	4,925,714	18,825,307
Non-current assets (exclude deferred tax assets)	9,544,972	21,159,151	30,704,123
Segment assets	136,672,032	30,153,985	166,826,017
Segment liabilities	(3,883,195)	(4,580,344)	(8,463,539)

30. **Capital Commitment**

	Group	
	2022	**2021**
	RM	**RM**
Capital expenditure		
Approved but not contracted for:		
Future minimal rentals payments	104,848	46,388

31. **Financial Instruments**

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	At amortised cost RM	**At FVTPL RM**	**Total RM**
Group			
2022			
Financial Assets			
Trade receivables	10,157,547	-	10,157,547
Other receivables	28,029,683	-	28,029,683
Other investment	-	84,859	84,859
Cash and bank balances	66,334,474	-	66,334,474
	104,521,704	84,859	104,606,563
Financial Liabilities			
Trade payables	2,008,627	-	2,008,627
Other payables	2,570,349	-	2,570,349
Lease liabilities	609,164	-	609,164
	5,188,140	-	5,188,140

31. **Financial Instruments (Cont'd)**

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	At amortised cost RM	At FVTPL RM	Total RM
Group			
2021			
Financial Assets			
Trade receivables	14,144,560	-	14,144,560
Other receivables	16,491,449	-	16,491,449
Other investment	-	507,880	507,880
Cash and bank balances	101,295,043	-	101,295,043
	131,931,052	507,880	132,438,932
Financial Liabilities			
Trade payables	4,287,057	-	4,287,057
Other payables	2,662,434	-	2,662,434
Lease liabilities	902,406	-	902,406
	7,851,897	-	7,851,897
Company			
2022			
Financial Assets			
Other receivables	1,092,539	-	1,092,539
Amount due from subsidiary companies	132,445,682	-	132,445,682
Other investment	-	84,859	84,859
Cash and bank balances	53,625,590	-	53,625,590
	187,163,811	84,859	187,248,670
Financial Liabilities			
Other payables	448,499	-	448,499

31. **Financial Instruments (Cont'd)**

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	At amortised cost RM	At FVTPL RM	Total RM
2021			
Company			
Financial Assets			
Other receivables	898,271	-	898,271
Amount due from subsidiary companies	95,173,779	-	95,173,779
Other investment	-	507,880	507,880
Cash and bank balances	98,245,818	-	98,245,818
	194,317,868	507,880	194,825,748
Financial Liabilities			
Trade payables	197,870	-	197,870
Other payables	388,848	-	388,848
	586,718	-	586,718

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

31. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies.

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group or the Company assesses whether any of the receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables and contract assets that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk.

31. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

Concentration of credit risk

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 trade receivables at the reporting date are as follows: -

	Group			
	2022		**2021**	
	RM	**% of total**	**RM**	**% of total**
By market				
Matured markets	10,056,310	99%	13,181,235	93%
Emerging markets	101,237	1%	963,327	7%
	10,157,547	100%	14,144,562	100%

Information regarding matured markets and emerging markets is disclosed in Note 29 to the Financial Statements.

At the reporting date, revenue from major customers in the matured markets segments are as follows: -

	Revenue	
	2022	**2021**
	RM	**RM**
Customer		
Customer A	6,510,000	1,775,175
Customer B	207,188	12,224,062
	6,717,188	13,999,237

31. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from their various payables.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Group	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2022					
Financial Liabilities					
Trade payables	2,008,627	-	-	2,008,627	2,008,627
Other payables	2,585,696	-	-	2,585,696	2,585,696
Lease liabilities	230,154	122,544	341,191	693,889	609,164
	4,824,477	122,544	341,191	5,288,212	5,203,487

31. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

Group	**On demand or within 1 year RM**	**1 to 2 years RM**	**2 to 5 years RM**	**Total contractual cash flows RM**	**Total carrying amount RM**
2021					
Financial Liabilities					
Trade payables	4,287,057	-	-	4,287,057	4,287,057
Other payables	2,841,455	-	-	2,841,455	2,841,455
Lease liabilities	399,940	559,110	-	959,050	902,406
	7,528,452	559110	-	8087562	8,030,918

31. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Fixed rate instruments				
Financial asset				
Fixed deposits with licensed banks	15,756,546	15,453,087	15,453,087	15,437,045
Financial liability				
Lease liabilities	(609,164)	(902,406)	-	-
Total	15,147,382	14,550,681	15,453,087	15,437,045

31. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iv) Market risk

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Thai Baht ("THB"), Indonesian Rupiah ("IDR"), Vietnamese Dong ("VND") and Hong Kong Dollar ("HKD"), Philippines Peso ("PHP") and United States Dollar ("USD").

				Donomiated in			
	THB	**VND**	**HKD**	**IDR**	**PHP**	**USD**	**Total**
Group	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
2022							
Trade and other receivables	2,423,585	118,529	2,617,687	227,236	-	13,186	5,400,223
Fixed deposits with licensed banks	-	-	17,723	-	-	-	17,723
Cash and bank balances	1,450,745	105,579	190,717	7,040	-	52,976	1,807,057
Trade and other payables	(1,874,209)	(207,355)	(269,762)	(679,024)	(115,467)	(143,625)	(3,289,442)
	2,000,121	16,753	2,556,365	(444,748)	(115,467)	(77,463)	3,935,561

31. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iv) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Thai Baht ("THB"), Indonesian Rupiah ("IDR"), Vietnamese Dong ("VND") and Hong Kong Dollar ("HKD"), Philippines Peso ("PHP") and United States Dollar ("USD"). (Cont'd)

	Donomiated in						
	THB	**VND**	**HKD**	**IDR**	**PHP**	**USD**	**Total**
Group	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
2021							
Trade and other receivables	963,563	1,104,444	2,513,464	194,892	-	7,342	4,783,705
Fixed deposits with licensed banks	-	-	16,042	-	-	-	16,042
Cash and bank balances	971,227	515,596	214,854	130,877	-	47,100	1,879,654
Trade and other payables	(1,929,406)	(1,084,848)	(359,309)	(599,713)	(81,826)	(139,723)	(4,194,825)
	5,384	535,192	2,385,051	(273,944)	(81,826)	(85,281)	2,484,576

31. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iv) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the THB, HKD, VND, IDR, USD and PHP exchange rates against RM, with all other variables held constant.

	2022		**2021**	
Group	**Change in currency rate**	**Effect on loss before tax**	**Change in currency rate**	**Effect on loss before tax**
THB	Strengthened 1%	20,001	Strengthened 1%	54
HKD	Strengthened 1%	25,564	Strengthened 1%	23,851
VND	Strengthened 1%	168	Strengthened 1%	5,352
IDR	Strengthened 1%	(4,447)	Strengthened 1%	(2,739)
USD	Strengthened 1%	(775)	Strengthened 1%	(853)
PHP	Strengthened 1%	(1,155)	Strengthened 1%	(818)

31. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iv) Market risk (Cont'd)

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group	
	2022	**2021**
	RM	**RM**
Fixed rate instruments		
Financial asset		
Fixed deposit with licensed banks	15,756,546	15,453,087
Financial liabilities		
Lease liabilities	(609,164)	(902,406)
Total	15,147,382	14,550,681

31. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iv) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

	Company	
	2022	**2021**
	RM	**RM**
Fixed rate instruments		
Financial asset		
Fixed deposits with licensed banks	15,738,823	15,437,045

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

32. **Capital Management**

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitor capital using a gearing ratio. The Group's and the Company's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group		**Company**	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Trade and other payables	4,594,323	7,128,512	448,499	586,718
Lease liabilities	609,164	902,406	-	-
Less: Cash and cash equivalents	(66,334,474)	(101,295,043)	(53,625,590)	(98,245,818)
Net cash	(61,130,987)	(93,264,125)	(53,177,091)	(97,659,100)
Total equity	144,768,614	158,362,478	188,307,573	195,074,375
Gearing ratio	N/A	N/A	N/A	N/A

N/A – The gearing ratio is not applicable as the cash and bank balances as at 30 September 2022 and 30 September 2022 and 30 September 2021 is sufficient to cover the entire borrowing obligations.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

33. **Comparative figures**

i) The financial statements of the Company for the financial year ended 30 September 2021 were audited by another firm of auditor.

ii) The figures for the financial statements of the previous financial period were for the financial period from 1 July 2020 to 30 September 2021. As they reflect the result for more than 12 months, they were not comparable to current year results.

iii) Certain comparatives were restated to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial year ended 30 September 2022.

34. **Date of Authorisation for Issue**

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of Directors on 30 January 2023.

LIST OF PROPERTIES AS AT 30 SEPTEMBER 2022

Location	Description of property and existing use	Tenure / Expiry on lease	Year of Acquisition	Net Book Value (RM)	Approximate Age of Building (Years)
Lot No. 2-1, Second Floor, Troika, 19 Persiaran KLCC, 50450 Kuala Lumpur	One (1) unit of vacant retail / office premises / space measuring in area approximately 685 square metres	Freehold	2022*	6,792,250.00	13 years
Lot No. 2-2, Second Floor, Troika, 19 Persiaran KLCC, 50450 Kuala Lumpur	One (1) unit of vacant retail / office premises / space measuring in area approximately 1,120 square metres	Freehold	2022*	9,994,995.00	13 years

* Pending execution of Memorandum of Transfer.

ANALYSIS OF SHAREHOLDINGS

As at 30 December 2022

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	:	7,953

Analysis of Shareholdings

Holdings	No. of shareholders	% of shareholders	No of shares held	% of shareholdings
1 – 99	861	10.83	27,198	0.00
100 – 1,000	1,377	17.31	848,200	0.09
1,001 – 10,000	2,917	36.68	14,151,158	1.53
10,001 – 100,000	2,191	27.55	81,015,300	8.74
100,001 – 46,335,954*	602	7.57	368,495,435	39.76
46,335,955 and above**	5	0.06	462,181,800	49.87
TOTAL	**7,953**	**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	-	-	61,800,000[c]	6.67
Mitsubishi UFJ Financial Group, Inc	-	-	61,800,000[c]	6.67
Kua Khai Shyuan	30,004,001	3.24	-	-
Kamarudin bin Meranun	13,649,350	1.47	-	-

Notes:
[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.*

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

ANALYSIS OF SHAREHOLDINGS (CONT'D)

As at 30 December 2022

List of Thirty (30) Largest Shareholders

	Name	No. of shares held	Percentage (%)
1	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Exempt An for Lazarus Securities 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)	61,800,000	6.67
5	HSBC Nominees (Asing) Sdn. Bhd. Exempt An for The HongKong And Shanghai Banking Corporation Limited (GCHK-Lazarus)	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	Kamarudin Bin Meranun	5,459,740	0.59
12	Yong Jee Patt	4,683,100	0.51
13	Kee Ku Huak	4,297,980	0.46
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	3,271,400	0.35
16	Lai Thiam Poh	3,032,400	0.33
17	Quek Jia Yi	2,791,000	0.30
18	Lim Keng Chuan	2,598,000	0.28
19	Nora Ee Siong Chee	2,430,400	0.26
20	Too Jia Erl	2,380,000	0.26
21	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Exempt An for CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)	2,359,000	0.25
22	Kenanga Nominees (Tempatan) Sdn. Bhd. Exempt An for Phillip Securities Pte. Ltd. (Client Account)	2,000,000	0.22
23	Rhythm Networks Consulting Sdn. Bhd.	2,000,000	0.22
24	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An for OCBC Securities Private Limited (Client A/C-Nr)	1,872,000	0.20
25	Lim Soi Moi	1,800,000	0.19
26	Ting Kwong Keong	1,800,000	0.19
27	Kenanga Nominees (Asing) Sdn. Bhd. Exempt An for Monex Boom Securities (HK) Limited	1,554,400	0.17
28	Tan Siew Chin	1,512,500	0.16
29	Tai Yok Yen	1,499,900	0.16
30	Lok Keng Chong	1,395,000	0.15
	TOTAL	**672,127,820**	**72.53**

ANALYSIS OF WARRANT D HOLDINGS

As at 30 December 2022

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 warrant holdings
1 – 99	30	2.01	1,537	0.00
100 – 1,000	45	3.02	23,246	0.01
1,001 – 10,000	414	27.79	2,237,796	0.56
10,001 – 100,000	780	52.35	28,612,375	7.20
100,001 and 19,858,084*	217	14.56	143,195,154	36.05
19,858,085 and above**	4	0.27	223,091,600	56.17
TOTAL	**1,490**	**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	-	-	-	-

ANALYSIS OF WARRANT D HOLDINGS (CONT'D)

As at 30 December 2022

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 Securities 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	13,800,100	3.47
6	Lai Yee Voon	10,400,000	2.62
7	Chia Teck Beng	8,953,800	2.25
8	Phoon Chew Yit	6,002,700	1.51
9	Quek Soon Tiang	5,000,000	1.26
10	Quek Hong Jie	3,828,700	0.96
11	Ooi Swee An	3,500,000	0.88
12	Chong Cheng Quan	2,801,200	0.71
13	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Piong Yon Wee (6000652)	2,559,300	0.64
14	Lim Siew Ching	2,503,000	0.63
15	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Pang Kia Fatt	2,503,000	0.63
16	Ong Kian Huat	2,503,000	0.63
17	Kee Ku Huak	2,081,490	0.52
18	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Beh Hang Kong	2,068,400	0.52
19	Tay Hua Lee	1,766,000	0.44
20	Pang Kia Fatt	1,672,600	0.42
21	Tan Li Li	1,647,100	0.41
22	Chong Meng Kiat	1,600,000	0.40
23	You Pei Ling	1,589,100	0.40
24	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Azrui Nizam Bin Itam	1,500,000	0.38
25	Public Invest Nominees (Asing) Sdn. Bhd. Exempt An for Phillip Securities Pte. Ltd. (Clients)	1,500,000	0.38
26	HLIB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Kim Guan (CCTS)	1,385,900	0.35
27	Tan Yoke Theng	1,300,000	0.33
28	Lim Keng Chuan	1,299,000	0.33
29	Chen Nyok Yen	1,262,400	0.32
30	Chee Sue Fey	1,253,000	0.32
	TOTAL	**309,371,390**	**77.90**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting ("18th AGM") of the Company will be conducted entirely through live streaming virtually from the Broadcast Venue at Boardroom, Lot 11.3, 11th Floor, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor via online meeting platform at https://rebrand.ly/mToucheAGM on Thursday, 9 March 2023 at 11.00 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 year ended 30 September 2022 together with the Reports of the Directors and the Auditors thereon.	**(Please refer to Explanatory Note 1)**
2.	To re-elect Mr. Tang Boon Koon, a Director who is retiring in accordance with Regulation 97 of the Company's Constitution.	**Ordinary Resolution 1**
3.	To re-elect Mr. Chen Huei Ping, a Director who is retiring in accordance with Regulation 97 of the Company's Constitution.	**Ordinary Resolution 2**
4.	To approve the payment of Directors' fees of RM671,490 for the financial year ending 30 September 2023.	**Ordinary Resolution 3**
5.	To approve the payment of Directors' remuneration (excluding Directors' fees) payable to the Board of the Company and its subsidiaries amounting to RM414,486 for the financial period from 1 March 2023 until 29 February 2024.	**Ordinary Resolution 4**
6.	To re-appoint Messrs. UHY as Auditors of the Company and to authorise the Directors to fix their remuneration.	**Ordinary Resolution 5**

Special Business

To consider and if thought fit, to pass the following Resolution, with or without modifications:-

7. **Proposed Waiver of Statutory Pre-Emptive Rights of the Shareholders and Authority to Issue Shares** — **Ordinary Resolution 6**

   "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.

   THAT pursuant to Section 85 of the Companies Act, 2016 to be read together with Regulation 54 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this mandate.

   AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares."

8. 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 (LS0010359 & PC No. 202008000375)
Company Secretaries

31 January 2023
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 who 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 or via e-mail at ir@shareworks.com.my 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 18th 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 2 March 2023. 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 ON THE ORDINARY AND/OR 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 2 & 3 of the Agenda

      Regulation 97 of the Constitution provides that an election of directors shall take place each year at the annual general meeting of the Company where one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3), shall retire from office and be eligible for re-election provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election.

      With the current Board size of five (5) directors, two (2) Directors namely Mr. Tang Boon Koon and Mr. Chen Huei Ping, being the longest in office since their last election are to retire in accordance with Regulation 97 of the Constitution.

      The Nomination Committee has taken into account the Board Evaluation Assessment including the results of Self and Peer Assessment of Mr. Tang Boon Koon and Mr. Chen Huei Ping and concurred that they have met the Board's expectation in terms of experience, expertise, integrity, competency, commitment and individual contribution by continuously performing their duties diligently as Directors of the Company.

      The profile of Mr. Tang Boon Koon and Mr. Chen Huei Ping is set out in the Annual Report 2022.

6. **EXPLANATORY NOTES TO SPECIAL BUSINESS (CONT'D)**

3) Items 4 & 5 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 18th AGM on the Directors' remuneration in two (2) separate resolutions as below:-

- Resolution 3 on payment of Directors' fees for the financial year ending 30 September 2023; and
- Resolution 4 on payment of Directors' remuneration (excluding Directors' fees) for the financial period from 1 March 2023 until 29 February 2024 ("Relevant Period").

The payment of the Directors' Fees for the financial year ending 30 September 2023 and the Directors' remuneration (excluding Directors' fees) will only be made if the proposed Resolutions 3 and 4 have been passed at the 18th AGM pursuant to Regulation 105 of the Company's Constitution and Section 230(1) of the Act.

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	25,000	25,000
Other Benefits & Emoluments	389,486	0	389,486
Total	**389,486**	**25,000**	**414,486**

The estimated total amount of Directors' remuneration (excluding Directors' Fees) for the Relevant Period of RM414,486 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 2023 and Directors' remuneration (excluding Directors' Fees) will be made by the Company and its subsidiaries on a monthly basis and/or as and when incurred if the proposed Resolutions 3 and 4 have been passed at the 18th 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 2023 and Directors' remuneration (excluding Directors' Fees) on a monthly 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 2023 and Directors' remuneration (excluding Directors' Fees) payable during the above period exceeded the estimated amount sought at the 18th AGM, a shareholders' approval will be sought at the next AGM.

4) Item 6 of the Agenda

The Audit and Risk Management Committee ("ARMC") has carried out an assessment of the suitability, objectivity and independence of the external auditors, Messrs. UHY ("UHY") and was satisfied with the suitability of UHY based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group.

The Board therefore approved the ARMC's recommendation on the re-appointment of UHY as the external auditors of the Company be put forward for the shareholders' approval at the forthcoming 18th AGM.

6. **EXPLANATORY NOTES TO SPECIAL BUSINESS (CONT'D)**

5) Item 7 of the Agenda

The proposed Ordinary Resolution 6, if passed, will allow the Company to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this mandate.

This mandate, if passed, will also 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.

The purpose of this 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.

This is the renewal of the mandate obtained from the shareholders at the last AGM held on 3 March 2022 ("the Previous Mandate"). The Previous Mandate was not utilised and no proceeds were raised.

ADMINISTRATIVE GUIDE OF THE EIGHTEENTH ANNUAL GENERAL MEETING (18TH AGM)

Date	Time	Meeting Platform
9 March 2023	11.00 a.m.	Online Meeting Platform at https://rebrand.ly/mToucheAGM

MODE OF MEETING

The 18th AGM will be conducted entirely through live streaming from the Broadcast Venue 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 18th AGM. Hence, no Shareholders/Proxies will be allowed to be physically present at the Broadcast Venue on the day of the 18th AGM.

All shareholders of the Company, whether Individual Shareholders, Corporate Shareholders, Proxy Holders, Authorised Nominees or Exempt Authorised Nominees who wish to attend the 18th 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 18th AGM will be conducted entirely through live streaming and online remote voting. Should you wish to attend the 18th 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 18th AGM.

2. If a shareholder is unable to attend the 18th 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.

RPV (CONT'D)

3. The procedures for the RPV in respect of the live streaming and remote voting at the 18th AGM is as follows:

Procedures		**Action**
Before AGM		
1.	Register as participant in Virtual 18th AGM	• Using your computer, access the registration website at https://rebrand.ly/mToucheAGM • Click on the **Register** link to register for the 18th 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 2023 and the registration will close at 11.00 a.m. on Tuesday, 7 March 2023. • 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 **2 March 2023**, the system will send you an email to notify you if your registration is approved or rejected after 2 March 2023. • 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 18th AGM day, while the 2nd will be sent 1 hour before the 18th 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.

RPV (CONT'D)

3. The procedures for the RPV in respect of the live streaming and remote voting at the 18th AGM is as follows: (cont'd)

5.	Online Remote Voting	• The Chairman will announce the commencement of the Voting session and the duration allowed at the respective 18th 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 18th AGM, the live session will end.

Proxy

Please note that if a Shareholder has submitted his/her Form of Proxy prior to the 18th AGM and subsequently decides to personally attend and participate in the 18th AGM via RPV Platform, the Shareholder must contact ShareWorks Sdn. Bhd. to revoke the appointment of his/her proxy no later than 11.00 a.m. on 7 March 2023.

Poll Voting

The voting at the 18th AGM will be conducted by poll in accordance with Rule 8.31A 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 18th 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 / Ms. Jey
Telephone No: 03-7688 1013
Email: vgm@mlabs.com

For Proxy and other matters:
ShareWorks Sdn. Bhd.

Name: Ms. Stacy Goh / Mr. Vemalan
Telephone No: 03-6201 1120
Email: ir@shareworks.com.my

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mTouche®

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

Full Name (in Block)	**Email Address**	**NRIC/ Passport No.**	**Proportion of Shareholdings**	
			No. of Shares	**%**
Address				

And / or* (*delete as appropriate)

Full Name (in Block)	**Email Address**	**NRIC/ Passport No.**	**Proportion of Shareholdings**	
			No. of Shares	**%**
Address				

And / or* (*delete as appropriate)

Full Name (in Block)	**Email Address**	**NRIC/ Passport No.**	**Proportion of Shareholdings**	
			No. of Shares	**%**
Address				

or failing him, THE CHAIRMAN OF THE MEETING, as my/our proxy/proxies, to vote for me/us on my/our behalf at the Eighteenth Annual General Meeting ("18th AGM") of the Company which will be conducted entirely through live streaming virtually from the Broadcast Venue at Boardroom, Lot 11.3, 11th Floor, Menara Lien Hoe, No. 8 Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor via online meeting platform at https://rebrand.ly/mToucheAGM on Thursday, 9 March 2023 at 11.00 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 Mr. Tang Boon Koon as Director		
Ordinary Resolution 2	-	Re-election of Mr. Chen Huei Ping as Director		
Ordinary Resolution 3	-	Payment of Directors' Fees for the financial year ending 30 September 2023		
Ordinary Resolution 4	-	Payment of Directors' remuneration (excluding Directors' fees) payable to the Board of the Company and its subsidiaries		
Ordinary Resolution 5	-	Re-appointment of Messrs. UHY as Auditors		
Ordinary Resolution 6	-	Proposed Waiver of Statutory Pre-Emptive Rights of the Shareholders and 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 2023

Number of shares held	
CDS Account No.	

....
Signature/Common Seal of Shareholder

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 who 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 or via email at ir@shareworks.com.my 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 18th 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 2 March 2023. 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

Affix stamp

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

1st Fold Here

MTOUCHE TECHNOLOGY BERHAD
Registration No: 200401017892 (656395-X)

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