

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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This Circular has been reviewed by Sierac Corporate Advisers Sdn. Bhd. being the Adviser to the Company for the Proposed Capital Reduction (as defined herein).



MTOUCHE TECHNOLOGY BERHAD

Registration No. 200401017892 (656395-X)

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED REDUCTION OF RM203,000,000 OF THE ISSUED SHARE CAPITAL OF MTOUCHE TECHNOLOGY BERHAD PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016 ("PROPOSED CAPITAL REDUCTION")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



SIERAC CORPORATE ADVISERS SDN. BHD.

(Registration No.: 200001013247 (515853-A))

The special resolution pertaining to the Proposed Capital Reduction will be tabled at the Extraordinary General Meeting ("**EGM**") of **MTOUCHE TECHNOLOGY BERHAD** ("**mTouche**" or the "**Company**") which will be held on a virtual basis through live streaming and online remote participation and voting 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 on **Friday, 1 November 2024 at 10.30 a.m.** or any adjournment thereof. The Notice of the EGM together with the Form of Proxy are enclosed in this Circular.

As a shareholder, you can appoint a proxy or proxies to attend and vote on your behalf. The Form of Proxy must be completed and deposited at the registered office of the Company at Company's Share Registrar's Office at ShareWorks Sdn. Bhd. at No. 2-1, Jalan 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 appointed for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Wednesday, 30 October 2024 at 10.30 a.m.

Date and time of the EGM : Friday, 1 November 2024 at 10.30 a.m.

This Circular is dated 8 October 2024

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

“Act”	: The Companies Act 2016 as amended from time to time and any re-enactment thereof
“Announcement”	: The announcement of the Proposed Capital Reduction dated 13 September 2024
“Board”	: Board of Directors of mTouche
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“Circular”	: This circular to shareholders dated 8 October 2024 in relation to the Proposed Capital Reduction
“COVID-19”	: Coronavirus disease, an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2)
“Director(s)”	: A natural person who holds a directorship in the Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“EGM”	: Extraordinary General Meeting of the Company
“EPS”	: Earnings per Share
“GP”	: Gross profit
“FPE”	: Financial period ended/ending
“FYE”	: Financial year ended/ending
“LAT”	: Loss after tax
“LBT”	: Loss before tax
“Listing Requirements”	: ACE Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time.
“LPD”	: 13 September 2024, being the latest practicable date prior to the printing of this Circular
“LPS”	: Loss per Share
“NA”	: Net assets
“Proposed Capital Reduction”	: Proposed reduction of RM203,000,000 of the issued share capital of mTouche pursuant to Section 117 of the Act
Registrar of Companies	: The registrar designated as Chief Executive Officer of the Companies Commission of Malaysia
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“SCA” or Adviser	: Sierac Corporate Advisers Sdn. Bhd.

DEFINITIONS (CONT'D)

“mTouche” or the “Company” : mTouche Technology Berhad

“mTouche Group” or the “Group” : mTouche and its subsidiaries, collectively

“mTouche Shares” or the “Shares” : Ordinary shares in mTouche

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

All references to “you” in this Circular are to the shareholders of the Company.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by the Company, such as in the quarterly results or annual reports of the Company (as the case may be), is due to rounding.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION CONTAINED IN THE MAIN CONTENT OF THIS CIRCULAR. PLEASE READ THE ENTIRE CIRCULAR CAREFULLY FOR FURTHER DETAILS ON THE PROPOSED CAPITAL REDUCTION BEFORE VOTING AT THE FORTHCOMING EGM.

PROPOSED CAPITAL REDUCTION	
Details of the Proposed Capital Reduction	<p>: The Proposed Capital Reduction entails the reduction of the issued share capital of mTouche via the cancellation of the Company's issued share capital which is lost and unrepresented by available assets of RM203,000,000 pursuant to Section 117 of the Act.</p> <p>Please refer to Section 2 of this Circular for further details of the Proposed Capital Reduction.</p>
Rationale	<p>: The Proposed Capital Reduction will enable the Company and the Group to reduce accumulated losses and enhance the credibility of the Company and the Group with the bankers, customers, suppliers, investors and other stakeholders.</p> <p>Please refer to Section 3 of this Circular for further information on the rationale for the Proposed Capital Reduction.</p>
Approvals required	<p>: The Proposed Capital Reduction is subject to the following approvals being obtained from:</p> <ul style="list-style-type: none">(i) the shareholders of mTouche at the forthcoming EGM; and(ii) any other relevant authorities or parties, if required. <p>Please refer to Section 5 of this Circular for further information.</p>
Inter-conditionality	<p>: The Proposed Capital Reduction is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.</p> <p>Please refer to Section 7 of this Circular for further information.</p>
Interest of Directors, major shareholders, chief executive and/or persons connected with them	<p>: None of the Directors, major shareholders, chief executive of the Company and/or persons connected with them has any interest, direct and indirect, in the Proposed Capital Reduction.</p> <p>Please refer to Section 8 of this Circular for further information.</p>
Board's recommendation	<p>: The Board recommends that you vote in favour of the resolution pertaining to the Proposed Capital Reduction at the forthcoming EGM.</p> <p>Please refer to Section 9 of this Circular for further information.</p>



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

Registered Office:

Level 13, Menara 1 Sentrum
201, Jalan Tun Sambanthan
Brickfields
50470 Kuala Lumpur
W.P. Kuala Lumpur

8 October 2024

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)

To: The Shareholders of mTouche Technology Berhad

Dear Sir/Madam,

PROPOSED CAPITAL REDUCTION

1. INTRODUCTION

On 13 September 2024, SCA had, on behalf of the Board, announced that the Company proposes to undertake the Proposed Capital Reduction.

Further details of the Proposed Capital Reduction are set out in the ensuing sections.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED CAPITAL REDUCTION, TO SET OUT THE BOARD'S RECOMMENDATION ON THE PROPOSED CAPITAL REDUCTION AND TO SEEK YOUR APPROVAL FOR THE SPECIAL RESOLUTION PERTAINING TO THE PROPOSED CAPITAL REDUCTION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE SPECIAL RESOLUTION TO GIVE EFFECT TO THE PROPOSED CAPITAL REDUCTION AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED CAPITAL REDUCTION

The Proposed Capital Reduction entails the reduction of the issued share capital of mTouche via the cancellation of the Company's issued share capital which is lost and unrepresented by available assets of RM203,000,000 pursuant to Section 117 of the Act. The corresponding credit of RM203,000,000 arising from such cancellation will be used to set-off against the accumulated losses of the Company while the remaining balance, if any, will be credited to the retained earnings of the Company which shall be used in such manner as the Board deems fit and in the best interest of the Company as permitted by the relevant and applicable laws as well as the Listing Requirements of Bursa Securities as well as the Company's Constitution.

As at the LPD, the issued share capital of the Company is RM242,386,011 comprising 926,719,091 mTouche Shares. As at the LPD, the Company does not retain any treasury shares and does not have any outstanding convertible securities.

For illustrative purposes only, the pro forma effects of the Proposed Capital Reduction on the accumulated losses of the Group based on its latest audited consolidated financial statements for the FYE 30 September 2023 and the unaudited financial results as at 30 June 2024 are set out below:

	Audited		Unaudited	
	As at 30 September 2023		As at 30 June 2024	
	Company Level	Group Level	Company Level	Group Level
	RM	RM	RM	RM
Accumulated losses	(56,268,817)	(155,832,847)	(203,285,290)	(161,656,321)
Add:				
Credit arising from the Proposed Capital Reduction	203,000,000	203,000,000	203,000,000	203,000,000
Less:				
Estimated expenses for the Proposed Capital Reduction	(100,000)	(100,000)	(100,000)	(100,000)
Resultant retained earnings/(accumulated losses)	146,631,183	47,067,153	(385,290)	41,243,679

Subject and subsequent to the approval of the Proposed Capital Reduction by the shareholders of the Company at the forthcoming EGM, the Proposed Capital Reduction will be effective when the Registrar of Companies has recorded the information lodged in the appropriate register in accordance with Section 119 of the Act.

For the avoidance of doubt, the Proposed Capital Reduction will not result in:

- (a) any adjustment to the price of the mTouche Shares;
- (b) any change in the total number of mTouche Shares in issue or the number of mTouche Shares held by the Company's existing shareholders;
- (c) any payment to the Company's shareholders; and
- (d) any cash outflow or change in the NA of the mTouche Group, save for the estimated expenses to be incurred in relation to the Proposed Capital Reduction.

3. RATIONALE FOR THE PROPOSED CAPITAL REDUCTION

The Proposed Capital Reduction will enable the Company to reduce its accumulated losses via cancellation of the share capital which is lost and unrepresented by the available assets of the Company. In addition, the reduction of accumulated losses is expected to enhance the credibility of the Company and the Group with the bankers, customers, suppliers, investors and other stakeholders.

4. EFFECTS OF THE PROPOSED CAPITAL REDUCTION

4.1 Share capital

The pro forma effects of the Proposed Capital Reduction on the issued share capital of the Company are as follows:

	No. of Shares	RM
Issued share capital as at the LPD	926,719,091	242,386,011
Less:		
To be cancelled pursuant to the Proposed Capital Reduction	-	(203,000,000)
Issued share capital after the Proposed Capital Reduction	926,719,091	39,386,011

4.2 Substantial shareholders' shareholdings

The Proposed Capital Reduction will not have any effect on the substantial shareholders' shareholdings in the Company as it does not involve any issuance of new Shares.

4.3 Earnings and EPS

The Proposed Capital Reduction will not have any material effect on the Group's earnings and EPS for the FYE 30 September 2025.

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4.4 NA, NA per Share and gearing

The pro forma effects of the Proposed Capital Reduction on the NA, NA per Share and gearing of the Group based on its audited consolidated financial statements as at 30 September 2023 and on the assumption that the Proposed Capital Reduction had been effected on that date are as follows:

	Audited as at 30 September 2023	After the Proposed Capital Reduction
	RM	RM
Share capital	242,386,011	39,386,011
Other reserves	(5,333,103)	(5,333,103)
Accumulated losses	(155,832,847)	(1) 47,067,153
Shareholders' funds/NA	81,220,061	81,120,061
No. of Shares in issue	926,719,091	926,719,091
NA per Share	0.0876	0.0875
Total borrowings	1,738,731	1,738,731
Gearing ⁽²⁾ (times)	0.021	0.021

Notes:

(1) *After setting off RM203,000,000 from the Company's accumulated losses due to the cancellation of the Company's issued share capital and deducting the estimated expenses of RM100,000 in relation to the Proposed Capital Reduction.*

(2) *Computed based on total borrowings divided by shareholders' funds/NA.*

4.5 Convertible securities

As at the LPD, the Company does not retain any treasury shares and does not have any outstanding convertible securities.

5. APPROVALS REQUIRED

The Proposed Capital Reduction is subject to the following approvals being obtained from:

- (i) the shareholders of mTouche at the forthcoming EGM; and
- (ii) any other relevant parties/authorities, if required.

For the avoidance of doubt, the Proposed Capital Reduction is not subject to the approval of the court, pursuant to Section 117 of the Act.

6. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

As at the LPD, there are no other corporate exercises which have been announced by mTouche but pending completion.

7. INTER-CONDITIONALITY

The Proposed Capital Reduction is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

8. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of the Company and/or persons connected with them has any interest, direct and indirect, in the Proposed Capital Reduction.

9. DIRECTORS' STATEMENT AND RECOMMENDATION

After having considered all aspects of the Proposed Capital Reduction, including but not limited to the rationale and effects of the Proposed Capital Reduction, the Board is of the opinion that the Proposed Capital Reduction is in the best interest of the Company and accordingly recommends you to vote in favour of the special resolution in respect of the Proposed Capital Reduction to be tabled at the Company's forthcoming EGM.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Capital Reduction is expected to be completed in the fourth quarter of 2024. The indicative timeline of events in relation to the Proposed Capital Reduction is set out as follows:

Tentative timeline	Events
November 2024	• EGM
December 2024	• Lodgement of documents with the Registrar of Companies for the Proposed Capital Reduction
December 2024 ⁽¹⁾	• Effective date of the Proposed Capital Reduction

Note:

(1) *Subject to receipt of Notice of Confirming Reduction of Share Capital from the Registrar of Companies.*

11. EGM

The EGM, the notice of which is enclosed in this Circular, will be held on a virtual basis through live streaming and online remote participation and voting 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** on **Friday, 1 November 2024** at **10.30 a.m.** or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the special resolution to give effect to the Proposed Capital Reduction.

If you are unable to attend the EGM, you may appoint one or more proxies to participate and vote on your behalf. If you wish to do so, you should complete and lodge the Form of Proxy enclosed in this Circular with the Share Registrar of the Company, not less than 48 hours before the stipulated time fixed for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy will not preclude you from participating and voting at the EGM should you subsequently wish to do so.

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12. FURTHER INFORMATION

You are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
MTOUCHE TECHNOLOGY BERHAD

Khairul Azwan Bin Harun
Independent Non-Executive Director/Chairman

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

The summary of the financial information of the Group for the 15-month FPE 30 September 2021, FYE 30 September 2022, FYE 30 September 2023, 9-month FPE 30 June 2023 and 9-month FPE 30 June 2024 is as follows:

	Audited			Unaudited	
	15-month FPE 30 September 2021	FYE 30 September 2022	FYE 30 September 2023	9-month FPE 30 June 2023	9-month FPE 30 June 2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	18,825	21,200	14,451	5,208	7,959
GP	1,507	4,896	2,894	2,151	1,219
LBT	(22,674)	(11,036)	(62,577)	(12,751)	(5,887)
LAT	(22,148)	(11,138)	(64,811)	(12,751)	(5,887)
LAT attributable to the owners of the Company	(22,159)	(10,914)	(64,724)	(12,695)	(5,824)
Total borrowings ⁽¹⁾	902	609	1,739	424	10,833
Shareholders' funds/NA	160,048	146,500	81,200	133,787	75,242
Share capital	242,386	242,386	242,386	242,386	242,386
No. of Shares in issue ('000)	926,719	926,719	926,719	926,719	926,719
NA per Share (RM) ⁽²⁾	0.17	0.16	0.09	0.14	0.08
LPS (sen) ⁽³⁾	(2.39)	(1.18)	(6.98)	(1.37)	(0.63)
Current ratio (times)	17.83	22.01	4.05	7.19	3.99
Gearing ratio (times)	0.01	*	0.02	*	0.14

Notes:

* Less than 0.01.

(1) Total borrowings comprise bank borrowings and lease liabilities.

(2) Computed by dividing the shareholders' funds/NA with the total number of Shares in issue in the respective FYE/FPE.

(3) Computed by dividing the LAT attributable to owners of the Company with the total number of Shares in issue in the respective FYE/FPE.

Commentaries:**(i) 9-month FPE 30 June 2024 vs 9-month FPE 30 June 2023**

The Group recorded revenue of RM7.96 million for the 9-month FPE 30 June 2024, representing an increase of RM2.75 million or 52.78%, from RM5.21 million for the 9-month FPE 30 June 2023. The increase in revenue was mainly attributable to higher revenue generated from messaging content services and sales of information technology products.

However, the GP decreased by RM0.93 million or 43.26% to RM1.22 million for the 9-month FPE 30 June 2024 (9-month FPE 30 June 2023: RM2.15 million), which was mainly due to the higher cost resulted from increased advertisement and promotion expenses in order to increase the sale.

HISTORICAL FINANCIAL INFORMATION OF THE GROUP (CONT'D)

The Group registered LAT of RM5.89 million for the 9-month FPE 2024, representing an improvement of RM6.86 million or 53.80%, from RM12.75 million for the 9-month FPE 2023. The improvement was mainly due to the following:

- (i) lower depreciation and amortisation expenses; and
- (ii) reduce in impairment losses on intangible assets.

(ii) FYE 30 September 2023 vs FYE 30 September 2022

The Group's revenue decreased by RM6.75 million or 31.84%, from RM21.20 million for the FYE 30 September 2022 to RM14.45 million for the FYE 30 September 2023. The decrease in revenue was due to reduced demand in COVID-19 test kits as the market continued to recover from the pandemic. As a result, the Group's GP decreased by RM2.01 million to RM2.89 million for the FYE 30 September 2023 (FYE 30 September 2022: RM4.90 million).

The Group recorded a LAT of RM64.81 million for the FYE 30 September 2023, representing an increase of RM53.67 million or 481.78%, from RM11.14 million for the FYE 30 September 2022. The increase in LAT was mainly due to the following:

- (i) impairment losses on intangible assets of RM44.00 million for the FYE 30 September 2023 (FYE 30 September 2022: RM4.12 million);
- (ii) impairment losses on financial assets of RM8.17 million for the FYE 30 September 2023 (FYE 30 September 2022: RM0.29 million); and
- (iii) higher tax expenses incurred for the FYE 30 September 2023 of RM2.23 million (FYE 30 September 2022: RM0.10 million).

(iii) FYE 30 September 2022 vs 15-month FPE 30 September 2021

The Group's revenue increased by RM6.14 million or 40.77% on an annualised basis to RM21.20 million for the FYE 30 September 2022 (annualised 15-month FPE 30 September 2021: RM15.06 million). The increase in the revenue was mainly due to higher revenue generated from messaging content services and sales of automation fare collection system. In addition, the GP increased by RM3.69 million or 304.96% on an annualised basis to RM4.90 million for the FYE 30 September 2022 (annualised 15-month FPE 30 September 2021: RM1.21 million).

The Group recorded a LAT of RM11.14 million for the FYE 30 September 2022, representing an improvement of RM6.58 million or 37.13% (annualised 15-month FPE 30 September 2021: RM17.72 million). The improvement was mainly attributable to the following:

- (i) higher interest income received from fixed deposits;
- (ii) reduce in share-based payment expenses; and
- (iii) reduce on property, plant and equipment written off.

ADDITIONAL INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading or incorrect.

2. CONSENT

SCA, as the Adviser for the Proposed Capital Reduction, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. CONFLICT OF INTEREST

As at the LPD, SCA has confirmed that there is no conflict of interest which exists or is likely to exist in its capacity as the Adviser for the Proposed Capital Reduction.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**4.1 Material commitments**

As at the LPD, there are no material commitments incurred or known to be incurred by the Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of the Group.

4.2 Contingent liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by the Group which, upon becoming due or enforceable, may have a material impact on the financial results or position of the Group.

5. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group within 2 years immediately preceding the date of this Circular.

6. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

The Board confirms as at the LPD, the Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group and the Board is not aware of any proceedings pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of the Group.

ADDITIONAL INFORMATION (CONT'D)

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of mTouche at Level 13, Menara 1 Sentrum 201, Jalan Tun Sambanthan Brickfields 50470 Kuala Lumpur W.P. Kuala Lumpur, during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period commencing from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) the Constitution of mTouche;
- (ii) mTouche's audited financial statements for the past two financial years up to FYE 30 September 2023 and the unaudited financial statements for the 9-month FPE 30 June 2024; and
- (iii) the letter of consent and conflict of interest as referred to in **Sections 2 and 3** of this **Appendix**.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of mTouche Technology Berhad (“mTouche” or the “Company”) (“EGM”) will be conducted entirely through live streaming virtually from Broadcast Venue at 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/mToucheEGM> on Friday, 1 November 2024 at 10.30 a.m. or at any adjournment thereof for the purpose of considering and, if thought fit, passing with or without modifications the following resolution:-

SPECIAL RESOLUTION

PROPOSED REDUCTION OF RM203,000,000 OF THE ISSUED SHARE CAPITAL OF THE COMPANY PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016 (“PROPOSED CAPITAL REDUCTION”)

“**THAT** subject to the approvals of the relevant authorities and/or parties being obtained, where required, approval be and is hereby given to the Company to reduce the issued share capital of the Company by way of cancellation of the issued share capital of the Company which is unrepresented by available assets of RM203,000,000 pursuant to Section 117 of the Companies Act, 2016. The corresponding credit of RM203,000,000 arising from such cancellation will be used to set-off against the accumulated losses of the Company while the remaining balance, if any, will be credited to the retained earnings of the Company which shall be used in such manner as the Board deems fit and in the best interest of the Company as permitted by the relevant and applicable laws as well as the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

AND THAT the Board of Directors of the Company (“Board”) be and is hereby authorised and empowered to do or procure to be done all acts and things and to execute all necessary documents, to give full effect and to complete the Proposed Capital Reduction, with full powers to assent to any conditions or make any modifications, variations and/or amendments as may be required, or imposed by the relevant authorities and as the Board may deem necessary and expedient to finalise, implement and give full effect to complete the Proposed Capital Reduction.”

By order of the Board

Ng Sally (MAICSA 7060343 & PC No. 202008002702)

Goh Xin Yee (LS0010359 & PC No. 202008000375)

Company Secretaries

8 October 2024

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 EGM 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 EGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Regulation 62 of the Company’s Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 24 October 2024. 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.



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

ADMINISTRATIVE GUIDE OF THE EXTRAORDINARY GENERAL MEETING (“EGM”)

INFORMATION FOR SHAREHOLDERS ON EXTRAORDINARY GENERAL MEETING OF MTOUCHE TECHNOLOGY BERHAD

Date : Friday, 1 November 2024

Time : 10.30 a.m.

Meeting Platform : Online Meeting Platform at <https://rebrand.ly/mToucheEGM>

MODE OF MEETING

The EGM 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 EGM. Hence, no Shareholders/Proxies will be allowed to be physically present at the Broadcast Venue on the day of the EGM.

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

2. If a shareholder is unable to attend the EGM, he/she is encouraged to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

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

Procedures	Action
Before EGM	
1. Register as participant in Virtual EGM 	<ul style="list-style-type: none"> • Using your computer, access the registration website at https://rebrand.ly/mToucheEGM • Click on the Register link to register for the EGM 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 EGM 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	<ul style="list-style-type: none"> • Shareholders who wish to participate and vote remotely at the EGM via RPV Facilities are required to register prior to the meeting. The registration will be open from 5.00 p.m. on Tuesday, 8 October 2024 and the registration will close at 10.30 a.m. on Wednesday, 30 October 2024. • Clicking on the link mentioned in item 1 will redirect you to the EGM event page. Click on the Register link for the online registration form. • Complete your particulars in the registration page. Your name MUST match your CDS account name (not applicable for proxy). • Insert your CDS account number(s) and indicate the number of shares you hold. • Read and agree to the Terms & Conditions and confirm the Declarations. • Please ensure all information given is accurate before you click Submit to register your remote participation. Failure to do so will result in your registration being rejected. • System will send an email to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors of the Company as at 24 October 2024, the system will send you an email to notify you if your registration is approved or rejected after 24 October 2024. • 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 EGM		
3.	Attending Virtual EGM	<ul style="list-style-type: none"> • Two reminder emails will be sent to your inbox. First is one day before the EGM day, while the 2nd will be sent 1 hour before the EGM session. • Click Join Event in the reminder email to participate the RPV.
4.	Participate with live video	<ul style="list-style-type: none"> • You will be given a short brief about the system. • Your microphone is muted throughout the whole session. • If you have any questions for the Chairman/Board, you may use the Q&A panel to send your questions. The Chairman/Board will try to respond to relevant questions if time permits. All relevant questions will be collected throughout the session and replied later through your registered email. • The session will be recorded. • Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.
5.	Online Remote Voting	<ul style="list-style-type: none"> • The Chairman will announce the commencement of the Voting session and the duration allowed at the EGM. • A link to vote for the resolution(s) will be posted at the right-hand side of your computer screen under "Slido" panel. 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 EGM, the live session will end.

Proxy

Please note that if a Shareholder has submitted his/her Form of Proxy prior to the EGM and subsequently decides to personally attend and participate in the EGM via RPV Platform, the Shareholder must contact ShareWorks Sdn. Bhd. to revoke the appointment of his/her proxy no later than 10.30 a.m. on 30 October 2024.

Poll Voting

The voting at the EGM 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 EGM 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 EGM 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 5.00 p.m. (Monday to Friday)):

For Registration, logging in and system related: InsHub Sdn Bhd

Name: Ms. Eris / Mr. Calvin
Telephone No: 03-7688 1013
Email: vgm@mlabs.com

For Proxy and other matters: ShareWorks Sdn. Bhd.

Name: Mr. Kien / Mr. Kou
Telephone No: 03-6201 1120
Email: ir@shareworks.com.my



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

FORM OF PROXY

I/We

of

being a Shareholder of **MTOUCHE TECHNOLOGY BERHAD [Registration No. 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 Extraordinary General Meeting (“EGM”) of the Company which will be conducted entirely through live streaming 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/mToucheEGM> on Friday, 1 November 2024 at 10.30 a.m. or at any adjournment thereof.

My/our proxy/proxies is/are to vote as indicated below:

SPECIAL RESOLUTION	FOR	AGAINST
Proposed Capital Reduction		

(Please indicate with a cross (X) in the space provided on, how you wish your vote to be casted in respect of the above resolution. If you do not do so, the proxy may vote or abstain at his/her discretion.)

Dated this..... day of.....2024

Number of shares held	
CDS Account No.	

.....
Signature/Common Seal of Shareholder

Fold This Flap For Sealing

Notes:-

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Then Fold Here

AFFIX
STAMP

The Share Registrar of
MTOUCHE TECHNOLOGY BERHAD
[Registration No. 200401017892 (656395-X)]

c/o ShareWorks Sdn. Bhd.
No. 2-1, Jalan Sri Hartamas 8,
Sri Hartamas,
50480 Kuala Lumpur

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