

MLABS SYSTEMS BERHAD
(Incorporated in Malaysia - Company No. 653227-V)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018

	As At 30/09/2018 Unaudited RM'000	As At 31/03/2018 Audited RM'000
Non-current assets		
Property, plant & equipment	2,867	1,331
Intangible assets	2,836	1,158
Software Development	7,000	-
Investment in joint venture	-	-
Other investment	13	13
Other receivable	300	300
Total non-current assets	13,016	2,802
Current assets		
Inventories	657	698
Trade receivables	4,526	1,469
Other receivables	1,261	16,344
Tax recoverable	-	-
Cash & bank balances	2,505	1,487
Other investment funds	41,396	43,396
Total current assets	50,345	63,393
Total assets	63,361	66,196
Equity		
Share capital	30,626	30,626
Warrant reserve	43,930	43,930
Fair value adjustment reserve	1	1
Accumulated losses	(10,905)	(8,289)
	63,651	66,267
Non-controlling interest	(365)	(299)
Total equity	63,286	65,968
Current liabilities		
Payables	66	220
Deferred income	-	-
Taxation	8	8
Total current liabilities	74	228
Total equity and liabilities	63,361	66,196
Net asset per share attributable to ordinary equity holder (RM)	0.215	0.215

NOTE:

The condensed consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2018.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 3 MONTHS PERIOD ENDED 30 SEPTEMBER 2018**

	Individual Quarter		Cumulative Quarter	
	2018 quarter ended 30/09/2018	2017 quarter ended 30/09/2017	2018 current period to date 30/09/2018	2017 proceeding period to date 30/09/2017
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue	3,476	248	3,855	1,313
Cost of Sales	(3,376)	(182)	(3,592)	(501)
Gross Profit/(loss)	100	66	263	812
Other income	473	-	867	-
Selling and distribution expenses	-	-	-	-
Administration expenses	(2,795)	(1,984)	(3,739)	(2,388)
Other expenses	(49)	-	(72)	-
Share of loss of joint venture	-	-	-	-
Loss from operations	(2,270)	(1,918)	(2,681)	(1,576)
Finance cost	-	(2)	-	(2)
Loss before taxation	(2,270)	(1,920)	(2,681)	(1,578)
Income tax expenses	-	-	-	-
Loss after taxation	(2,270)	(1,920)	(2,681)	(1,578)
Loss attributable to :				
Owners of the parent	(2,239)	(1,884)	(2,615)	(1,884)
Non controlling Interest	(31)	(34)	(66)	(34)
	(2,270)	(1,918)	(2,681)	(1,918)
Total comprehensive expense attributable to :				
Owners of the parent	(2,239)	(1,884)	(2,615)	(1,595)
Non controlling Interest	(31)	(34)	(66)	19
	(2,270)	(1,918)	(2,681)	(1,576)
Basic loss per ordinary share attributable to:				
Owners of the parent (Sen)	(0.33)	(0.33)	(0.390)	(0.28)

The condensed consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2018.

MLABS SYSTEMS BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE 3 MONTHS PERIOD ENDED 30 SEPTEMBER 2018

	3 months ended 30/9/2018	12 months ended 31/03/2018
	UNAUDITED RM'000	AUDITED RM'000
Loss before tax	(2,681)	(4,040)
	-	-
Adjustments for :	-	-
Amortisation of intangible assets	322	619
Depreciation of property, plant and equipment	117	236
Impairment losses on:	-	-
- trade receivables	-	-
- other receivables	-	11
- intangible assets	-	40
Income distribution from short term fund	(387)	(840)
Interest income	(13)	(30)
Loss/(Gain) on disposal of PPE	-	323
Reversal of impairment losses on:	-	-
- trade receivables	-	(0)
- other receivables	-	(6)
- goodwill	-	-
Finance and other distribution income	-	-
Finance costs	-	-
Share of loss/(gain) of a joint venture	-	-
Share option granted under ESOS	-	831
Write off of:-	-	-
- bad debts	-	85
- inventories	-	89
- property, plant and equipment	-	12
Write back of impairment loss on trade receivables	-	-
Write down of inventories to NRV	-	-
	-	-
Operating profit before working capital changes	(2,642)	(2,671)
Changes in working capital:		
Inventories	41	(611)
Trade receivables	(3,057)	577
Other receivables	15,083	(16,541)
Trade payables	5	(1)
Other payables	(156)	(227)
Cash generated from operations	9,274	(19,475)
Interest paid	-	-
Tax paid	-	-
Net cash from operating activities	9,274	(19,475)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
- property, plant and equipment	(1,653)	(1,032)

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE 3 MONTHS PERIOD ENDED 30 SEPTEMBER 2018

	3 months ended 30/9/2018	12 months ended 31/03/2018
	UNAUDITED RM'000	AUDITED RM'000
- intangible assets	(9,000)	-
- subsidiaries	-	-
- joint venture	-	-
Advances from/(Repayment to) amount due to Director	(2)	2
Income received from short term fund	387	840
Interest received	13	30
Proceeds on disposal of PPE	-	-
Advances (to)/from a related company	0	-
Net cash flow from fund placements	-	-
Net cash used in investing activities	(10,255)	(161)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares:		
- ESOS	-	7,360
- Rights issue	-	56,057
- Warrants exercised	-	964
Repayments of hire purchase and finance lease liabilities	-	-
Repayments of term loans	-	-
Net cash used in financing activities	-	64,381
NET DECREASE IN CASH AND CASH EQUIVALENTS	(981)	44,745
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	44,883	138,000
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	43,902	44,883
 CASH AND CASH EQUIVALENTS COMPRISE :		
Cash, bank balances and short term funds	43,902	44,883
Difference	-	-

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 12 MONTHS PERIOD ENDED 30 SEPTEMBER 2018**

3 Months period ended 30 September 2018	Share capital RM'000	Share premium RM'000	Reserve RM'000	Accumulated Profit/ (Loss) RM'000	Minority interest RM'000	Total RM'000
Balance as at 1 April 2018	74,556	-	-	(8,289)	(299)	65,968
Issurance of shares	-	-	-	-	-	-
Minority Interest	-	-	-	-	(66)	(66)
Profit/ (Loss) for the period	-	-	-	(2,616)	-	(2,616)
ESOS issued and fully exercised	-	-	-	-	-	-
Balance at 30 September 2018	<u>74,556</u>	<u>-</u>	<u>-</u>	<u>(10,905)</u>	<u>(365)</u>	<u>63,286</u>

12 Months period ended 31 March 2018	Share capital RM'000	Share premium RM'000	Reserve RM'000	Accumulated Losses RM'000	Minority interest RM'000	Total RM'000
Balance as at 1 April 2017	9,343	-	-	(4,395)	(153)	4,795
Par Value Reduction	57,021	-	-	-	-	57,021
Issuance of Shares	-	-	-	-	(146)	(146)
Minority Interest	-	-	-	(3,894)	-	(3,894)
Loss for the period	8,192	-	-	-	-	8,192
Balance at 31 March 2018	<u>74,556</u>	<u>-</u>	<u>-</u>	<u>(8,289)</u>	<u>(299)</u>	<u>65,968</u>

NOTE:

The condensed consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2018