

MLABS SYSTEMS BERHAD
Company No. 200401014724 (653227-V)
(Incorporated in Malaysia)

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

The Board of Directors of Mlabs Systems Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 30 September 2020 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June (“FYE”) 2020 and the accompanying explanatory notes attached to the unaudited consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER Quarter Ended		CUMULATIVE QUARTER Period Ended	
		30.09.2020 RM'000 (unaudited)	30.09.2019 RM'000 (unaudited)	30.09.2020 RM'000 (unaudited)	30.09.2019 RM'000 (unaudited)
Revenue	A8	2,986	6,531	2,986	6,531
Cost of sales		(2,159)	(5,869)	(2,159)	(5,869)
Gross profit		827	662	827	662
Other income		456	290	456	290
Administrative and operating expenses		(5,786)	(1,684)	(5,786)	(1,684)
Selling and distribution expenses		(63)	-	(63)	-
Other operating expenses		(402)	(277)	(402)	(277)
Loss from operations		(4,968)	(1,009)	(4,968)	(1,009)
Finance costs		(13)	-	(13)	-
Loss before tax	B14	(4,981)	(1,009)	(4,981)	(1,009)
Tax expense	B7	-	-	-	-
Loss for the financial period		(4,981)	(1,009)	(4,981)	(1,009)
Other comprehensive loss:-					
Item that will be subsequently to profit or loss					
Exchange differences on translating foreign operation		(152)	50	(152)	50
Other comprehensive loss for the financial period		(152)	50	(152)	50
Total comprehensive loss for the financial period		(5,133)	(959)	(5,133)	(959)
Loss for the financial period attributable to:					
- Owners of the Company		(5,082)	(748)	(5,082)	(748)
- Non-controlling interests		101	(261)	101	(261)
		(4,981)	(1,009)	(4,981)	(1,009)
Total comprehensive loss attributable to:					
- Owners of the Company		(5,155)	(721)	(5,155)	(721)
- Non-controlling interests		22	(238)	22	(238)
		(5,133)	(959)	(5,133)	(959)
Losses per share attributable to the owner of the company					
Basic (sen)	B13	(0.42)	(0.11)	(0.42)	(0.11)

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As At 30.09.2020 RM'000 (unaudited)	As At 30.06.2020 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant & equipment		2,431	2,386
Intangible assets		5,024	5,136
Investment properties		8,868	8,885
Right-of-use assets		999	1,064
Other investment		4,037	4,091
Non-trade receivables, deposits and prepayments		63	63
Total non-current assets		<u>21,422</u>	<u>21,625</u>
Current assets			
Inventories		636	280
Trade receivables	B15	2,655	867
Non-trade receivables, deposits and prepayments		5,852	5,668
Cash, bank balances and short-term fund		29,221	22,490
Total current assets		<u>38,364</u>	<u>29,305</u>
Total assets		<u>59,786</u>	<u>50,930</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		54,852	42,553
Reserves		(726)	4,429
Equity attributable to owners of the parent		<u>54,126</u>	<u>46,982</u>
Non-controlling interest		1,842	2,000
Total equity		<u>55,968</u>	<u>48,982</u>
LIABILITIES			
Non-current liability			
Lease liabilities		566	689
Current liabilities			
Payables		2,674	704
Lease liabilities		570	547
Taxation		8	8
Total current liabilities		<u>3,252</u>	<u>1,259</u>
Total liabilities		<u>3,818</u>	<u>1,948</u>
Total equity and liabilities		<u>59,786</u>	<u>50,930</u>
Net asset per share (RM)		<u>0.045</u>	<u>0.048</u>

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	[----- Non-distributable -----]			Distributable				
	Share capital RM'000	ESOS Reserve RM'000	Foreign currency translation reserve RM'000	Warrants reserve RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total RM'000
As at 30 June 2020	42,553	-	109	43,930	(39,610)	46,982	2,000	48,982
Loss for the financial period	-	-	-	-	(5,082)	(5,082)	101	(4,981)
Other comprehensive income for the financial period								
- Exchange translation differences	-	-	(73)	-	-	(73)	(79)	(152)
Total comprehensive loss for the financial period	-	-	(73)	-	(5,082)	(5,155)	22	(5,133)
Warrant expired	-	-	-	(43,930)	43,930	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	(322)	(322)
Subscription of shares by Non-Controlling Interest in a subsidiary	-	-	-	-	-	-	142	142
Grant of Employee Share Option Scheme ("ESOS")	-	2,958	-	-	-	2,958	-	2,958
Ordinary share issued pursuant to:-								
-ESOS	6,208	(2,958)	-	-	-	3,250	-	3,250
-Private placement	6,091	-	-	-	-	6,091	-	6,091
As at 30 Sept 2020	54,852	-	36	-	(762)	54,126	1,842	55,968
As at 30 June 2019	30,626	-	(1)	43,930	(13,832)	60,723	2,162	62,885
Loss for the financial period	-	-	-	-	(748)	(748)	(261)	(1,009)
Other comprehensive income for the financial period								
- Exchange translation differences	-	-	27	-	-	27	23	50
Total comprehensive loss for the financial period	-	-	27	-	(748)	(721)	(238)	(959)
As at 30 Sept 2019	30,626	-	26	43,930	(14,580)	60,002	1,924	61,926

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CONSOLIDATED STATEMENT OF CASH FLOWS

	30.09.2020 RM'000 (unaudited)	Period Ended 30.09.2019 RM'000 (unaudited)
Operating activities		
Loss before tax	(4,981)	(1,009)
Adjustments for:-		
Amortisation of intangible assets	502	502
Depreciation of investment property	18	18
Depreciation of property, plant and equipment	133	117
Depreciation of right-of-use asset	148	-
Interest expense	13	-
Interest income	-	(27)
Income distribution from short-term fund	(127)	(49)
Gain on disposal of property, plant and equipment	-	(9)
Fair value adjustment on investment	(278)	238
Reversal of impairment loss on right-of-use asset	(41)	-
Share-based payments	2,958	-
Unrealised foreign exchange gain	3	-
Operating loss before working capital changes	(1,652)	(219)
Changes in working capital:-		
Inventories	(356)	2
Payables	(1,892)	(6,685)
Receivables	1,113	903
Net cash used in operating activities	(2,787)	(5,999)
Investing activities		
Acquisition of:		
- Property, plant and equipment	(52)	(1,691)
- Investment properties	-	(1,238)
- Intangible assets and software development	-	(14)
- Subsidiary	(46)	-
Income received from short-term fund	127	49
Interest received	-	27
Proceed on disposal of property, plant and equipment	-	44
Net cash used in investing activities	29	(2,823)
Financing activities		
Proceed from issuance of ordinary shares pursuant to		
- ESOS	3,250	-
- Private placement	6,091	-
Interest paid	(13)	-
Repayment of lease liabilities	(142)	-
Net cash from financing activities	9,186	-

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

CASH AND CASH EQUIVALENTS

Net changes	6,428	(8,822)
Effects of changes in foreign exchange rate	303	3
Brought forward	22,490	22,591
Carried forward	29,221	13,772

Cash and cash equivalents at the end of the financial period comprise the following:

Cash and bank balances and short-term funds	29,221	13,772
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**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements outlined in MFRS 134 – Interim Financial Reporting, the International Accounting Standard 34 Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for the FYE 2020 and the accompanying explanatory notes attached to the interim financial statements.

These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the FYE 2020.

The accounting policies and methods of computation used in the interim financial statements are consistent with those adopted in the audited financial statements of the Group for the FYE 2020 except for the changes in accounting policies and presentation resulting from the adoption of new and revised MFRSs and amendments to MFRSs that are effective for financial periods beginning on or after 1 January 2020.

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

MFRS effective for financial periods beginning on or after 1 January 2020

Amendment to MFRS 3	<i>Business Combination - Definition of a Business</i>
Amendment to MFRS 101	<i>Presentation of Financial Statements: Definition of Material</i>
Amendments to MFRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material</i>

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

The Group has not adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board:

MFRS effective for financial periods beginning on or after 1 June 2020

Amendment to MFRS 16	<i>Leases – Covid-19 – Related Rent Concessions</i>
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MFRS effective for financial periods beginning on or after 1 January 2021

Amendment to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS4 Insurance Contract and MFRS 16 Leases – Interest Rate Benchmark Reform-Phase 2

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A1. Basis of Preparation (Cont'd)

The Group has not adopted the following new MFRSs and amendments to MFRSs issued by the Malaysian Accounting Standards Board (cont'd):

MFRS effective for financial periods beginning on or after 1 January 2022

Amendment to MFRS 3	<i>Business Combinations- Reference to the Conceptual Framework</i>
Amendment to MFRS 116	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to MFRS 137	<i>Provisions, Contingent Liabilities and Contingent Assts – Onerous Contract – Cost of Fulfilling a Contract</i>
Amendment to MFRS 1	<i>First time Adoption of Malaysian Financial Reporting Standards -Annual Improvements to MFRS Standards 2018-2020</i>
Amendment to MFRS 9	<i>Financial Instruments - Annual Improvements to MFRS Standards 2018-2020</i>

MFRS effective for financial periods beginning on or after 1 January 2023

MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Insurance Contracts</i>
Amendment to MFRS 101	<i>Presentation of Financial Statements - Classification of liabilities as current or non-current</i>

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for the future financial years.

A2. Auditors' Report on the Preceding Annual Financial Statements

The auditor's report on the latest audited financial statements for the FYE 2020 was not subject to any audit qualification.

A3. Seasonal or Cyclical Factors of Interim Operations

The results of the Group were not materially affected by any significant seasonal or cyclical factors during the current financial quarter and period.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the current financial quarter and period.

A5. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial period, which may have a material effect in the current financial quarter and period results.

A6. Issues, Repurchases, and Repayments of Debt and Equity Securities

There is no issues, repurchases, and repayments of debts and equity securities of the Group during the current financial quarter and period except for:-

- i. On 6 July 2020, the Company announced the fixed issue price of 110,000,000 private placement shares at RM0.0318 each and were issued on 8th July 2020.
- ii. On 7 July 2020, the Company announced the fixed issue price of 57,365,000 private placement shares at RM0.0452 each and were issued on 21st July 2020.

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A6. Issues, Repurchases, and Repayments of Debt and Equity Securities (cont'd)

- iii. On 17 July 2020, 65,000,000 shares option were offered to eligible employee at an exercise price of RM0.05 each and were issued on 6th August 2020.
- iv. On 10 September 2020, total number of 186,855,358 Warrant B which remained unexercised had expired.

A7. Dividends Paid

There were no dividends declared and paid for the current financial quarter.

A8. Segmental Information

Segmental information is presented in respect of the Group's business and geographical segments. The primary format of business segments, are based on the Group's management and internal reporting structure.

Business segments

The Group is organised into business units based on their products and services, and has three reportable segments as follows:

Research and development, and assembling	:	Research and development, assembling and trading of multimedia video conferencing system, and mobile application solutions
Films production	:	Movie production
Trading	:	Trading of champagne, kitchen equipment and related products

Period Ended 30.09.2020	Research and development, and assembling	Films production	Trading	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	2,910	-	76	-	2,986
Result:					
Segment result	(4,786)	(255)	(36)	(360)	(5,437)
Other Income	301	-	115	40	456
Loss Before Tax	(4,485)	(255)	79	(320)	(4,981)
Segment Assets	64,240	590	20,046	(25,090)	59,786
Segment Liabilities	56,074	1,163	20,533	(73,952)	3,818

Geographical segments

The business segment is managed in few principal locations namely Malaysia, Thailand, China and Taiwan. In presenting information on the basis of geographical segments. Segmental revenue is presented based on the geographical location of customers.

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A8. Segmental Information (Cont'd)

Geographical segments (Cont'd)

The geographical segmental information on the Group is as follows:-

Period Ended 30.09.2020	Malaysia	Outside Malaysia	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue	465	2,521	-	2,986
Result:				
Segment result	(5,325)	248	(360)	(5,437)
Other Income	21	395	40	456
Loss Before Tax	(5,304)	643	(320)	(4,981)

A9. Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment during the current financial quarter and period.

A10. Events after the End of the Quarter

- i. On 1 September 2020, the Company proposed to consolidate of every 10 existing ordinary shares in the Company into 1 share. The consolidation had been completed on 5 November 2020, in which 1,258,539,027 shares had consolidated into 125,853,870 Consolidated Shares.
- ii. On 1 September 2020, the Company proposed renounceable right issue of up to 755,123,412 new shares together with up to 440,488,657 free detachable warrants in the Company ("Warrant C") on the basis of 12 Rights Shares together with 7 free Warrants C for every 2 existing shares. The abridged prospectus has been released to the public on 13 November 2020. The closing date for acceptance and payment for provisional allotment and excess Rights Shares is on 30 November 2020.
- iii. On 6 October 2020 and 11 November 2020, the Company subscribed Redeemable Convertible Preference Shares ("RCPS") in Longhouse Films Sdn Bhd ("Longhouse") amounted to RM1,000,000.
- iv. On 19 November 2020, Mlabs Research Sdn Bhd ("Research"), a wholly owned subsidiary of the Company had entered into a Digital Distribution Agreement with mTouche International Sdn Bhd to promote, market, and distribute Novel Coronavirus (SAR-CoV-2) RP-PCR Detection and Diagnostic kit and Novel Coronavirus (SAR-CoV-2) IgM/IgG Rapid Test Kit, and other equivalent products in Malaysia and South East Asia Region only through the Group's digital distribution channel.

A11. Changes in Composition of the Group

On 15 July 2020, Champagne Carbon Asia Limited incorporated a wholly owned subsidiary, Shenzhen Carbon Champagne Development Limited ("SCCDL") with a registered paid up capital of RMB1,000,000.

On 10 August 2020, the Company subscribed 52,000 new ordinary shares at RM1.00 for a total consideration of RM52,000 representing 51% shareholdings of Longhouse. Upon completion, Longhouse became a 51% owned subsidiary of the Group.

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A11. Changes in Composition of the Group (Cont'd)

On 7 September 2020, the Company subscribed 150,000 new ordinary share at HKD1.00 for total consideration of HKD150,000 representing 60% shareholdings of Linkodes International Limited.

Save for the above, there were no other changes in the composition of the Group for the current financial quarter and period.

A12. Contingent Assets or Changes on Contingent Liabilities

There were no contingent assets or contingent liabilities as at 30 September 2020.

A13. Significant Related Party Transaction

All related party transactions and balances within the Group had been entered into in the normal course of business and were carried out on normal commercial terms during the current financial quarter and period.

A14. Fair Value Measurement

The financial assets maturing within the next 12 months reasonably approximate their fair values due to the relatively short-term maturity of the financial instruments.

Fair value hierarchy

The table below analyses financial instrument carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Group	As at 30.09.2020 RM'000 (unaudited)	As at 30.06.2020 RM'000 (audited)
<u>Level 1</u>		
Unit trust fund	14	14
Trust assets	4,023	4,077
	4,037	4,091
	4,037	4,091

The Group does not have any financial liabilities carried at fair value nor any financial instruments classified as Level 2 and Level 3 as at 30 September 2020.

A15. Capital Commitments

Capital commitments at 30 September 2020 as follows:-

Approved and contracted for:	As at 30.09.2020 RMB	As at 30.09.2020 RM
RCPS subscriptions	-	3,000,000
Registered share capital of SCCDL to be paid up by 31 December 2046	1,000,000	605,400
Acquisition of investment property	-	225,000
	-	225,000

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**EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF
BURSA SECURITIES FOR THE ACE MARKET**

B1. Review of Performance

Statement of Profit & Loss and Other Comprehensive Income

Group Results	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Quarter Ended		Changes (%)	Period Ended		Changes (%)
	30.09.2020 RM'000 (unaudited)	30.09.2019 RM'000 (unaudited)		30.09.2020 RM'000 (unaudited)	30.09.2019 RM'000 (unaudited)	
Revenue	2,986	6,531	-54%	2,986	6,531	-54%
Gross profit	827	662	25%	827	662	25%
Loss before interest and tax	(4,968)	(1,036)	->100%	(4,968)	(1,036)	->100%
Loss before tax	(4,981)	(1,009)	->100%	(4,981)	(1,009)	->100%
Loss after tax	(4,981)	(1,009)	->100%	(4,981)	(1,009)	->100%
Loss attributable to ordinary equity holders of the parent	(5,082)	(748)	->100%	(5,082)	(748)	->100%

The Group registered revenue of RM2.99 million for the three (3) months ended 30 September 2020, mainly generated from Inbase Partners Limited (“Inbase”) on technology and corporate advisory services and provision of mobile application solutions and Research on trading of web conferencing related products and services which being lower than the preceding corresponding financial quarter of RM6.53 million. The higher revenue in preceding corresponding financial quarter was contributed by the sales of “Let’s Talk” mobile application. The current financial quarter loss of RM4.98 million was higher as compared to preceding corresponding financial quarter of RM1.01 million mainly attributable to the higher professional fees incurred on corporate exercise (RM0.44 million) coupled with share-based payment (RM2.96 million).

B2. Material Changes in Financial Performance for the Quarter Compared with Immediate Preceding Quarter

Group Results	Quarter Ended		Changes (%)
	30.09.2020 RM'000 (unaudited)	30.06.2020 RM'000 (unaudited)	
Revenue	2,986	822	>100%
Gross profit	827	321	>100%
Loss before interest and tax	(4,968)	(24,025)	79%
Loss before tax	(4,981)	(24,066)	79%
Loss after tax	(4,981)	(24,066)	79%
Loss attributable to ordinary equity holders of the parent	(5,082)	(24,019)	79%

The Group registered higher revenue of RM2.98 million in the current financial quarter compared to immediate preceding financial quarter of RM0.82 million. The higher revenue and gross profit are mainly generated from our subsidiary Inbase.

The Group recorded a lower loss of RM4.98 million as compared to immediate preceding financial quarter of RM24.07 million mainly attributable to the following item incurred in the immediate preceding financial quarter, impairment of goodwill on consolidation of Inbase (RM9.99 million), impairment of intangible assets (RM5.42 million), impairment of receivables (RM3.80 million) and share-based payment (RM2.90 million).

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B3. Commentary on Prospects

The Covid-19 pandemic continues to spark concern across the global economy, it remains uncertain when the virus would be contained at this stage. Bank Negara Malaysia announced that the Malaysia's Gross Domestic Product improved from -17.1% in Q2 2020 to -2.7% in Q3 2020. The improvement shows sign of recovery following the reopening of the economy after the Movement Control Order.

Social distancing SOPs had been imposed in Malaysia to curb the rise of Covid-19 cases, with the restriction in movement and other measures limiting the close contact of people. However, the Group sees this as an opportunity to grow the multimedia video conferencing business as it has been an important communication tool to connect clients, colleagues, business partners and other stakeholders. The Group intends to expand the video conferencing business by collaborating into the field of telemedicine as well as broadcasting and livestreaming. Nevertheless, the Group continues to explore potential investment or acquisition in complementary business or asset.

At this juncture, the Group is in discussion for potential collaboration of providing video conferencing facilities to healthcare providers. The succession of this collaboration is expected to provide a stable and recurring income stream via the monthly subscription fees. The demand for telemedicine is expected to grow in future corresponding to the increase in the demand of healthcare services.

The Group had in August 2020 acquired a 51% equity interest by way of ordinary share subscription and subscription of RCPS up to RM3.0 million in Longhouse, a film production company. The rationale for investing into a film production company is to capitalise on the availability of government grants to encourage local film production and to leverage on our existing technological capabilities that can be applied in film production.

The Group will continuously seek opportunities to expand its business in the ICT industry, complementing the current business and tap into the ongoing trend of digitalisation of the economy.

B4. Variation on Revenue or Profit Estimate, Forecast, Projection or Internal Targets

Not applicable.

B5. Variance of Actual Profit After Tax and Minority Interest and the Forecast Profit after Tax and Minority Interest

Not applicable.

B6. Shortfall in the Profit Guarantee

Not applicable.

B7. Taxation

The Group has no tax liability during the current financial quarter.

B8. Status of Corporate Proposals

On 1 September 2020, the Company proposed renounceable right issue of up to 755,123,412 new shares together with up to 440,488,657 free detachable warrants in the Company ("Warrant C") on the basis of 12 Rights Shares together with 7 free Warrants C for every 2 existing shares. The abridged prospectus has been released to the public on 13 November 2020. The closing date for acceptance and payment for provisional allotment and excess Rights Shares is on 30 November 2020.

Save for the above, there were no other corporate proposals announced but not completed as at 25 November 2020.

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B9. Utilisation of Proceeds Raised from Corporate Proposal

On 21 July 2020, the Company had raised a total proceeds of RM9.2 million from the private placement by issuance of 267,350,000 new ordinary shares.

Purpose	Proposed Utilisation	Actual Utilisation	Balance	Intended Timeframe for Utilisation
	RM'000	RM'000	RM'000	
Marketing expenses for the Let's Talk mobile application	3,000	-	3,000	Within 24 months
Working Capital	5,909	1,817	4,092	Within 24 months
Expenses in relation to the proposals	332	332	-	Immediate
	<u>9,241</u>	<u>2,149</u>	<u>7,092</u>	

B10. Borrowings and Debts Securities

There were no borrowings or debt securities in the Group as at 30 September 2020.

B11. Material Litigation

There were no significant changes in material litigation as at 25 November 2020.

B12. Dividends

No dividend was declared and paid during the current financial quarter.

B13. Losses per share

- (a) The basic earnings per share is computed by dividing the Group's net loss attributable to members of the Group with the weighted average number of ordinary shares in issue as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter Ended 30.09.2020	Quarter Ended 30.09.2019	Period Ended 30.09.2020	Period Ended 30.09.2019
Losses attributable to ordinary shareholders of the Company (RM'000)	(5,082)	(748)	(5,082)	(748)
Weighted average number of ordinary shares in issue ('000)	1,220,217	670,504	1,220,217	670,504
Basic & diluted losses per share (sen)	(0.42)	(0.11)	(0.42)	(0.11)

- (b) Diluted

The Group has no potential dilutive shares outstanding as at 30 September 2020.

MLABS SYSTEMS BERHAD
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B14. Note to the Statements of Profit or Loss and Other Comprehensive Income

Loss before tax has been determined after (crediting)/charging, amongst others, the followings items :-

	INDIVIDUAL QUARTER Quarter Ended		CUMULATIVE QUARTER Period Ended	
	30.09.2020 RM'000	30.09.2019 RM'000	30.09.2020 RM'000	30.09.2019 RM'000
Interest expense	13	-	13	-
Interest income	-	(27)	-	(27)
Income distribution from short term fund	(127)	(49)	(127)	(49)
Depreciation and amortisation	801	637	801	637
Gain on disposal of property, plant and equipment	-	(9)	-	(9)
Fair value adjustment on investment and short-term fund	(278)	238	(278)	238
Unrealised foreign exchange loss	3	-	3	-
Realised foreign exchange loss/(gain)	399	(120)	399	(120)

Save for the above, the other items as required under Chapter 9 Appendix 9B (16) of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

B15. Trade Receivables

	As at 30.09.2020 RM'000 (unaudited)	As at 30.6.2020 RM'000 (audited)
Trade receivables	4,915	3,127
Less: Impairment losses	(2,260)	(2,260)
	2,655	867

Aging analysis of trade receivables of the Group are as follows:

	As at 30.09.2020 RM'000 (unaudited)	As at 30.06.2020 RM'000 (audited)
Neither past due nor impaired	2,256	846
Past due but not impaired:		
Less than 3 months	145	20
3 to 6 months	254	1
Past due and impaired	2,260	2,260
Trade receivables (gross)	4,915	3,127

B16. Authorisation for Issue

The interim financial statements are authorised for issue by the Board of Directors in accordance with a resolution of the directors.