



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

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2021**

The Board of Directors of Mlabs Systems Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 31 March 2021 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	
		31.03.2021 RM'000 (unaudited)	31.03.2020 RM'000 (unaudited)	31.03.2021 RM'000 (unaudited)	31.03.2020 RM'000 (unaudited)
Revenue	A8	26,527	582	32,002	7,496
Cost of sales		(25,304)	(426)	(29,617)	(6,767)
Gross profit		1,223	156	2,385	729
Other income		683	949	1,541	1,251
Administrative and operating expenses		(6,079)	(2,098)	(14,294)	(6,044)
Selling and distribution expenses		(1,186)	-	(1,291)	-
Other operating expenses		(799)	(165)	(1,727)	(395)
Loss from operations		(6,158)	(1,158)	(13,386)	(4,459)
Finance costs		(11)	(3)	(36)	(5)
Loss before tax	B14	(6,169)	(1,161)	(13,422)	(4,464)
Tax expense	B7	-	-	-	-
Loss for the financial period		(6,169)	(1,161)	(13,422)	(4,464)
Other comprehensive loss:- Item that will be subsequently to profit or loss					
Exchange differences on translating foreign operation		165	251	(161)	199
Other comprehensive loss for the financial period		165	251	(161)	199
Total comprehensive loss for the financial period		(6,004)	(910)	(13,583)	(4,265)
Loss for the financial period attributable to:					
- Owners of the Company		(5,718)	(1,278)	(12,936)	(4,257)
- Non-controlling interests		(451)	117	(486)	(207)
		(6,169)	(1,161)	(13,422)	(4,464)
Total comprehensive loss attributable to:					
- Owners of the Company		(5,632)	(1,153)	(13,006)	(4,157)
- Non-controlling interests		(372)	243	(577)	(108)
		(6,004)	(910)	(13,583)	(4,265)
Losses per share attributable to the owner of the company					
Basic (sen)	B13	(1.25)	(1.86)*	(2.84)	(6.19)*

* The calculation of the weighted average number of shares in issue for the preceding corresponding period and year was adjusted for the consolidation of 10 existing shares into 1 new share on 5 November 2020. Accordingly, the basic earnings per share for the said periods was adjusted retrospectively.



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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As At 31.03.2021 RM'000 (unaudited)	As At 30.06.2020 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant & equipment		2,313	2,386
Intangible assets		10,875	5,136
Investment properties		8,833	8,885
Right-of-use assets		831	1,064
Other investment		4,352	4,091
Non-trade receivables, deposits and prepayments		63	63
Total non-current assets		<u>27,267</u>	<u>21,625</u>
Current assets			
Inventories		559	280
Trade receivables	B15	6,407	867
Non-trade receivables, deposits and prepayments		14,462	5,668
Films under production		1,724	-
Contract asset		2,314	-
Cash, bank balances and short-term fund		101,289	22,490
Total current assets		<u>126,755</u>	<u>29,305</u>
Total assets		<u>154,022</u>	<u>50,930</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		101,189	42,553
Reserves		36,221	4,429
Equity attributable to owners of the parent		<u>137,410</u>	<u>46,982</u>
Non-controlling interest		1,297	2,000
Total equity		<u>138,707</u>	<u>48,982</u>
LIABILITIES			
Non-current liability			
Lease liabilities		2	689
Current liabilities			
Payables		10,654	704
Contract liabilities		3,760	-
Lease liabilities		891	547
Taxation		8	8
Total current liabilities		<u>15,313</u>	<u>1,259</u>
Total liabilities		<u>15,315</u>	<u>1,948</u>
Total equity and liabilities		<u>154,022</u>	<u>50,930</u>
Net asset per share (RM)		<u>0.115</u>	<u>0.484*</u>

* The number of shares in issue as at 30 June 2020 was adjusted for the consolidation of 10 existing shares into 1 new share on 5 November 2020. Accordingly, the net assets per as at 30 June 2020 was adjusted retrospectively.



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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	-	-	-	-	(12,936)	(12,936)	(486)	(13,422)
Other comprehensive income for the financial period	-	-	-	-	-	-	-	-
- Exchange translation differences	-	-	(70)	-	-	(70)	(91)	(161)
Total comprehensive loss for the financial period	-	-	(70)	-	(12,936)	(13,006)	(577)	(13,583)
Warrant expired	-	-	-	(43,930)	43,930	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	(268)	(268)
Subscription of shares by Non-Controlling Interest in a subsidiary	-	-	-	-	-	-	142	142
Grant of Employee Share Option Scheme (“ESOS”)	-	6,656	-	-	-	6,656	-	6,656
Ordinary share issued pursuant to:-								
-ESOS	30,514	(6,656)	-	-	-	23,858	-	23,858
-Private placement	5,759	-	-	-	-	5,759	-	5,759
-Right issue	22,363	-	-	44,798	-	67,161	-	67,161
As at 31 March 2021	101,189	-	39	44,798	(8,616)	137,410	1,297	138,707
As at 30 June 2019	30,626	-	(1)	43,930	(13,832)	60,723	2,162	62,885
Loss for the financial period	-	-	-	-	(4,257)	(4,257)	(207)	(4,464)
Other comprehensive income for the financial period	-	-	-	-	-	-	-	-
- Exchange translation differences	-	-	100	-	-	100	99	199
Total comprehensive loss for the financial period	-	-	100	-	(4,257)	(4,157)	(108)	(4,265)
Grant of ESOS	-	301	-	-	-	301	-	301
Ordinary share issued pursuant to:-								
-ESOS	3,230	(230)	-	-	-	3,000	-	3,000
-Warrant exercised	7	-	-	-	-	7	-	7
As at 31 March 2020	33,863	71	99	43,930	(18,089)	59,874	2,054	61,928



**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2021**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Period Ended	
	31.03.2021 RM'000 (unaudited)	31.03.2020 RM'000 (unaudited)
Operating activities		
Loss before tax	(13,422)	(4,464)
Adjustments for:-		
Amortisation of intangible assets	1,500	1,509
Depreciation of investment property	53	53
Depreciation of property, plant and equipment	412	401
Depreciation of right-of-use asset	447	-
Interest expense	36	5
Interest income	(3)	(42)
Income distribution from short-term fund	(618)	(49)
Gain on disposal of property, plant and equipment	-	(9)
Fair value adjustment on investment	(596)	(462)
Reversal of impairment loss on right-of-use asset	(122)	-
Reversal of impairment loss on inventories	(85)	-
Share-based payments	6,656	301
Write off of inventories	118	-
Unrealised foreign exchange loss	1,570	(404)
Operating loss before working capital changes	(4,054)	(3,161)
Changes in working capital:-		
Inventories	(313)	9
Film in production	(1,724)	-
Contract asset	(2,314)	-
Contract liabilities	3,760	-
Payables	9,094	(6,798)
Receivables	(15,820)	1,508
Net cash used in operating activities	(11,371)	(8,442)
Investing activities		
Acquisition of:		
- Property, plant and equipment	(228)	(1,811)
- Investment properties	-	(1,238)
- Intangible assets and software development	(6,859)	(14)
- Subsidiary	(40)	-
Income received from short-term fund	618	49
Interest received	3	42
Fair value adjustment on investment	-	26
Proceed on withdrawal of investment	-	834
Proceed on disposal of property, plant and equipment	-	44
Net cash used in investing activities	(6,506)	(2,068)
Financing activities		
Proceed from issuance of ordinary shares pursuant to		
- ESOS	23,858	3,000
- Private placement	5,759	-
- Warrant exercised	-	7
- Right issues	67,161	-
Interest paid	(36)	(5)
Repayment of lease liabilities	(434)	(14)
Net cash from financing activities	96,308	2,988



**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

CASH AND CASH EQUIVALENTS

Net changes	78,431	(7,522)
Effects of changes in foreign exchange rate	368	452
Brought forward	<u>22,490</u>	<u>22,591</u>
Carried forward	<u>101,289</u>	<u>15,521</u>

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

Cash and bank balances and short-term funds	<u>101,289</u>	<u>15,521</u>
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CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2021

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 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>

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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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 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

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>



**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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 9 *Financial Instruments - Annual Improvements to MFRS Standards 2018-2020*

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

MFRS 17 *Insurance Contracts*
Amendments to MFRS 17 *Insurance Contracts*
Amendment to MFRS 101 *Presentation of Financial Statements - Classification of liabilities as current or non-current*

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

Proposal Date	Corporate Exercise	Listing Date	No. of Shares	Issue Price	Proceeds
			'000	RM	RM'000
06 Jul 2020	Private Placement	08 Jul 2020	110,000	0.0318	3,498
07 Jul 2020	Private Placement	21 Jul 2020	57,365	0.0452	2,593
07 Jul 2020	ESOS	06 Aug 2020	65,000	0.0500	3,250
1 Sep 2020	Right Issue	14 Dec 2020	755,123	0.0900	67,961
1 Sep 2020	Warrant C	14 Dec 2020	440,489	-	-
17 Dec 2020	ESOS	23 Dec 2020	26,000	0.0850	2,210
29 Dec 2020	ESOS	08 Jan 2021	30,000	0.0725	2,175
08 Feb 2021	ESOS	15 Feb 2021	30,000	0.0600	1,800



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

There were no issues, repurchases, and repayments of debts and equity securities of the Group during the current financial quarter and period except for (cont'd):-

Proposal Date	Corporate Exercise	Listing Date	No. of Shares	Issue Price	Proceeds
			'000	RM	RM'000
17 Feb 2021	ESOS	19 Feb 2021	30,000	0.0600	1,800
22 Feb 2021	ESOS	24 Feb 2021	30,000	0.0650	1,950
24 Feb 2021	ESOS	04 Mar 2021	30,000	0.0625	1,875
24 Feb 2021	ESOS	21 Mar 2021	30,000	0.0625	1,875
26 Feb 2021	ESOS	19 Mar 2021	100,000	0.0600	6,000
18 Mar 2021	ESOS	22 Mar 2021	16,049	0.0575	922
				TOTAL	97,909

Other than the above issuance, the Group had the following changes to equity securities:-

- 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 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.

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, precious metal, kitchen equipment and related products



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A8. Segmental Information (Cont'd)

Business segments

Period Ended 31.03.2021	Research and development, and assembling	Films production	Trading	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	6,114	-	26,224	(336)	32,002
Result:					
Segment result	(13,209)	(1,004)	(318)	(432)	(14,963)
Other Income	930	4	605	2	1,541
Loss Before Tax	(12,279)	(1,000)	287	(430)	(13,422)
Segment Assets	175,947	2,384	34,520	(58,829)	154,022
Segment Liabilities	83,166	2,202	34,819	(104,872)	15,315

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.

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

Period Ended 31.03.2021	Malaysia	Outside Malaysia	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue	4,179	28,159	(336)	32,002
Result:				
Segment result	(14,126)	(405)	(432)	(14,963)
Other Income	440	1,099	2	1,541
Loss Before Tax	(13,686)	694	(430)	(13,422)

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

On 23 April 2021, the Company announced the fixed issue price of 4,815,000 shares option were offered to eligible employee at an exercise price of RM0.04 each.



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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.

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.

On 6 October 2020, 11 November 2020 and 19 March 2021, the Company subscribed Redeemable Convertible Preference Shares (“RCPS”) in Longhouse Films Sdn Bhd (“Longhouse”) amounted to RM1,500,000.

On 4 March 2021, the Company incorporated a wholly owned subsidiary, Mlabs Capital Sdn Bhd with a paid up capital of RM1.

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 31 March 2021.

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).

	As at 31.03.2021 RM'000 (unaudited)	As at 30.06.2020 RM'000 (audited)
Group		
<u>Level 1</u>		
Unit trust fund	14	14
Trust assets	4,337	4,077
	4,351	4,091
	4,351	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 31 December 2020.



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A15. Capital Commitments

Capital commitments at 31 March 2021 as follows:-

	As at 31.03.2021 RMB	As at 31.03.2021 RM
Approved and contracted for:		
RCPS subscriptions	-	1,500,000
Registered share capital of SCCDL to be paid up by 31 December 2046	1,000,000	605,400
Acquisition of investment property	-	225,000



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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

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Quarter Ended		Changes (%)	Period Ended		Changes (%)
Group Results	31.03.2021 RM'000 (unaudited)	31.03.2020 RM'000 (unaudited)		31.03.2021 RM'000 (unaudited)	31.03.2020 RM'000 (unaudited)	
Revenue	26,527	582	>100%	32,002	7,496	>100%
Gross profit	1,223	156	>100%	2,385	729	>100%
Loss before interest and tax	(6,161)	(1,158)	->100%	(13,389)	(4,501)	->100%
Loss before tax	(6,169)	(1,161)	->100%	(13,422)	(4,464)	->100%
Loss after tax	(6,169)	(1,161)	->100%	(13,422)	(4,464)	->100%
Loss attributable to ordinary equity holders of the parent	(5,718)	(1,278)	->100%	(12,936)	(4,257)	->100%

The Group registered revenue of RM26.53 million for the three (3) months ended 31 March 2021 which was significantly higher than the previous corresponding quarter of RM0.59 million. The increase in revenue was contributed by our subsidiary Inbase Partners Limited (“**Inbase**”) of RM23.30 million and from Mlabs Research Sdn Bhd (“**Research**”) supply and trading of web conferencing related products and services of RM3.18 million. The current financial quarter recorded a higher loss of RM6.17 million compared to preceding corresponding financial quarter of RM1.16 million mainly attributable to share based payment expenses of RM3.14 million, provision for forex loss of RM0.63 million, marketing expenses of RM1.00 million.

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

Group Results	Quarter Ended		Changes (%)
	31.03.2021 RM'000 (unaudited)	31.12.2020 RM'000 (unaudited)	
Revenue	26,527	2,489	>100%
Gross profit	1,223	335	>100%
Loss before interest and tax	(6,161)	(2,261)	->100%
Loss before tax	(6,169)	(2,272)	->100%
Loss after tax	(6,169)	(2,272)	->100%
Loss attributable to ordinary equity holders of the parent	(5,718)	(2,136)	->100%

The Group registered higher revenue of RM26.53 million in the current financial quarter compared to immediate preceding financial quarter of RM2.49 million. The higher revenue and gross profit from immediate preceding quarter are mainly generated from our subsidiary Inbase and Research from the supply and trading of web conferencing related products and services.

The Group loss of RM6.17 million was higher as compared to immediate preceding financial quarter of RM2.27 million mainly due to non-cash items and marketing expenses stated in B1 above.



**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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B3. Commentary on Prospects

Due to the Covid 19 pandemic and the implementation of various restrictive movement orders by the government from time to time, companies are increasingly reliant on the use of multi video conferencing products and services to conduct meetings and to communicate with employees and their stakeholders. The Group's multimedia video conferencing business is expected to benefit from the increased demand for its diverse range of video conferencing products and solutions to cater for this growing market.

On 23 April 2021, the Group had entered into an agreement with XOX Com Sdn. Bhd. for the implementation of ASEAN's and Malaysia's first transformative Remote Cloud-Based Contact Centre powered by Cisco's Webex. The AI-powered digital solution powered by Cisco's Webex enables enriched customer engagement experiences between businesses and their customers. With the succession of the cloud-based contact centre, this would attract more opportunities to the Group with more companies opting for remote working to adapt to the current environment.

The Group will be embarking on a one-stop video conferencing centre project that will showcase the latest state of the art video conferencing solutions and amenities that allow users to host virtual meetings, conferences and other diverse social events. When completed this centre will generate an additional source of revenue for the Group.

The Group is also concurrently developing several mobile applications that are intended to complement and enhance our existing products and services. These are at varying stages of development and will be progressively introduced into the market.

Despite the challenging economic conditions in Taiwan, our subsidiary in Taipei Inbase ltd is expected to sustain its overall operations. Longhouse Film Production Sdn. Bhd. a subsidiary of the Group is expected to commence production of several local films in the coming months. These films are intended to be released for local and international audiences.

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

There was no corporate proposal announced as at the date of this report.



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B9. Utilisation of Proceeds Raised from Corporate Proposal

On 21 July 2020, the Company had raised 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	1,000	2,000	Within 24 months
Working Capital	5,909	5,034	875	Within 24 months
Expenses in relation to the proposals	332	332	-	Immediate
	<u>9,241</u>	<u>6,366</u>	<u>2,875</u>	

On 14 December 2020, the Company had raised total proceeds of RM68.0 million from the right issues by issuance of 755,123,412 new ordinary shares.

Purpose	Proposed Utilisation	Actual Utilisation	Balance	Intended Timeframe for Utilisation
	RM'000	RM'000	RM'000	
Remote meeting and videotelephony enablers	23,000	-	23,000	Within 36 months
Broadcasting and livestreaming centre	7,600	7,600	-	Within 6 months
Acquisition and/or investments in complementary business and/or assets	25,000	-	25,000	Within 24 months
Working Capital	11,561	-	11,561	Within 24 months
Expenses in relation to the proposals	800	800	-	Immediate
	<u>67,961</u>	<u>8,400</u>	<u>59,561</u>	

B10. Borrowings and Debts Securities

There were no borrowings or debt securities in the Group as at 31 March 2021.

B11. Material Litigation

There were no pending litigation as at the date of this report.

B12. Dividends

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



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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 Quarter Ended		CUMULATIVE QUARTER Period Ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Losses attributable to ordinary shareholders of the Company (RM'000)	(5,718)	(1,278)	(12,936)	(4,257)
Weighted average number of ordinary shares in issue ('000)	455,680	68,769	455,680	68,769
Basic & diluted losses per share (sen)	(1.25)	(1.86)	(2.84)	(6.19)

The previous year's basic loss per ordinary share has been restated to reflect the effect of the share consolidation exercise carried out during the year under review.

The diluted losses per ordinary share is same as the basic losses per share as the average market price of the ordinary shares during the current financial quarter was lower than the exercise price of the warrants and accordingly, the effect of the assumed conversion of warrants outstanding will be anti-dilutive effect and the Company has no other dilutive potential ordinary shares in issue as at the end of the current financial quarter.

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	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Interest expense	11	3	36	5
Interest income	(3)	-	(3)	(42)
Income distribution from short term fund	334	-	(618)	(49)
Depreciation and amortisation	809	658	2,412	1,963
Gain on disposal of property, plant and equipment	-	-	-	(9)
Fair value adjustment on investment and short-term fund	(143)	(385)	(596)	(462)
Unrealised foreign exchange loss/(gain)	634	(543)	1,570	(404)
Share based payment	3,145	301	6,656	301
Write off of inventories	118	-	118	-
Reversal of impairment loss on:				
- Inventories	(85)	-	(85)	-
- Right-of-use asset	(122)	-	(122)	-
Realised foreign exchange loss/(gain)	(96)	(2)	(91)	(34)

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.



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B15. Trade Receivables

	As at 31.03.2021 RM'000 (unaudited)	As at 30.6.2020 RM'000 (audited)
Trade receivables	8,667	3,127
Less: Impairment losses	(2,260)	(2,260)
	6,407	867

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

	As at 31.03.2021 RM'000 (unaudited)	As at 30.06.2020 RM'000 (audited)
Neither past due nor impaired	217	846
Past due but not impaired:		
Less than 3 months	4,856	20
3 to 6 months	1,323	1
More than 6 months	11	-
Past due and impaired	2,260	2,260
Trade receivables (gross)	8,667	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.