



**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 JUNE 2021**

The Board of Directors of Mlabs Systems Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 30 June 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 Year Ended	
		30.06.2021 RM'000 (unaudited)	30.06.2020 RM'000 (unaudited)	30.06.2021 RM'000 (unaudited)	30.06.2020 RM'000 (audited)
Revenue	<b>A8</b>	51,980	823	83,982	8,319
Cost of sales		(52,243)	(501)	(81,860)	(7,268)
Gross (loss)/profit		(263)	322	2,122	1,051
Other income		159	414	1,700	1,665
Administrative and operating expenses		(2,941)	(5,686)	(17,235)	(11,730)
Selling and distribution expenses		(244)	-	(1,535)	-
Other operating expenses		1,239	(16,846)	(488)	(16,940)
<b>Loss from operations</b>		(2,050)	(21,796)	(15,436)	(25,954)
Finance costs		(2)	(54)	(38)	(59)
<b>Loss before tax</b>	<b>B14</b>	<b>(2,052)</b>	<b>(21,850)</b>	<b>(15,474)</b>	<b>(26,013)</b>
Tax expense	<b>B7</b>	-	-	-	-
<b>Loss for the financial period/year</b>		<b>(2,052)</b>	<b>(21,850)</b>	<b>(15,474)</b>	<b>(26,013)</b>
<b>Other comprehensive loss:- Item that will be subsequently to profit or loss</b>					
Exchange differences on translating foreign operation		(365)	5	(526)	204
Other comprehensive (loss)/profit for the financial period/year		(365)	5	(526)	204
<b>Total comprehensive loss for the financial period/year</b>		<b>(2,417)</b>	<b>(21,845)</b>	<b>(16,000)</b>	<b>(25,809)</b>
<b>Loss for the financial period/year attributable to:</b>					
- Owners of the Company		(1,650)	(21,801)	(14,586)	(25,757)
- Non-controlling interests		(402)	(49)	(888)	(256)
		<b>(2,052)</b>	<b>(21,850)</b>	<b>(15,474)</b>	<b>(26,013)</b>
Total comprehensive loss attributable to:					
- Owners of the Company		(2,020)	(21,791)	(15,026)	(25,647)
- Non-controlling interests		(397)	(54)	(974)	(162)
		<b>(2,417)</b>	<b>(21,845)</b>	<b>(16,000)</b>	<b>(25,809)</b>
<b>Losses per share attributable to the owner of the company</b>					
Basic (sen)	<b>B13</b>	(0.14)	(24.83)*	(2.25)	(35.07)*

\* 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 30.06.2021 RM'000 (unaudited)	As At 30.06.2020 RM'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment		2,270	2,386
Intangible assets		11,633	5,136
Investment properties		8,815	8,885
Right-of-use assets		709	1,064
Other investment		15	4,091
Non-trade receivables, deposits and prepayments		64	63
Total non-current assets		23,506	21,625
<b>Current assets</b>			
Inventories		461	280
Trade receivables	B15	3,169	867
Non-trade receivables, deposits and prepayments		19,258	5,668
Contract asset		594	-
Other investment		1,712	-
Cash, bank balances and short-term fund		100,191	22,490
Total current assets		125,385	29,305
<b>Total assets</b>		<b>148,891</b>	<b>50,930</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		101,402	42,553
Reserves		34,201	4,429
<b>Equity attributable to owners of the parent</b>		135,603	46,982
Non-controlling interest		915	2,000
Total equity		136,518	48,982
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Lease liabilities		263	689
<b>Current liabilities</b>			
Payables		10,582	704
Contract liabilities		1,056	-
Lease liabilities		464	547
Taxation		8	8
Total current liabilities		12,110	1,259
<b>Total liabilities</b>		<b>12,373</b>	<b>1,948</b>
<b>Total equity and liabilities</b>		<b>148,891</b>	<b>50,930</b>
<b>Net asset per share (RM)</b>		<b>0.114</b>	<b>0.484*</b>

\* 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.



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

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	[----- Non-distributable -----]			Distributable		Total RM'000	Non- controlling interests RM'000	Total RM'000
	Share capital RM'000	ESOS Reserve RM'000	Foreign currency translation reserve RM'000	Warrants reserve RM'000	Accumulated losses RM'000			
As at 1 July 2020	42,553	-	109	43,930	(39,610)	46,982	2,000	48,982
Loss for the financial year	-	-	-	-	(14,586)	(14,586)	(888)	(15,474)
Other comprehensive income for the financial year								
- Exchange translation differences	-	-	(440)	-	-	(440)	(86)	(526)
Total comprehensive loss for the financial year	-	-	(440)	-	(14,586)	(15,026)	(974)	(16,000)
Warrant expired	-	-	-	(43,930)	43,930	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	(253)	(253)
Subscription of shares by Non-Controlling Interest in a subsidiary	-	-	-	-	-	-	142	142
Grant of Employee Share Option Scheme (“ESOS”)	-	6,686	-	-	-	6,686	-	6,686
Ordinary share issued pursuant to:-								
-ESOS	30,737	(6,686)	-	-	-	24,051	-	24,051
-Private placement	5,759	-	-	-	-	5,759	-	5,759
-Right issue	22,353	-	-	44,798	-	67,151	-	67,151
As at 30 June 2021	101,402	-	(331)	44,798	(10,266)	135,603	915	136,518
As at 1 July 2019	30,626	-	(1)	43,930	(13,823)	60,732	2,162	62,894
Initial application of MFRS16					(30)	(30)	-	(30)
As at 1 July 2019 (restated)	30,626	-	(1)	43,930	(13,853)	60,702	2,162	62,864
Loss for the financial year	-	-	-	-	(25,757)	(25,757)	(256)	(26,013)
Other comprehensive income for the financial year								
- Exchange translation differences	-	-	110	-	-	110	94	204
Total comprehensive loss for the financial year	-	-	110	-	(25,757)	(25,647)	(162)	(25,809)
Ordinary share issued pursuant to:-								
-ESOS	7,295	-	-	-	-	7,295	-	7,295
-Private placement	4,625	-	-	-	-	4,625	-	4,625
-Warrant exercised	7	-	-	-	-	7	-	7
As at 30 June 2020	42,553	-	109	43,930	(39,610)	46,982	2,000	48,982



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**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Year Ended	
	30.06.2021 RM'000 (unaudited)	30.06.2020 RM'000 (audited)
<b>Operating activities</b>		
Loss before tax	(15,474)	(26,013)
Adjustments for:-		
Amortisation of intangible assets	2,185	2,000
Depreciation of investment property	70	70
Depreciation of property, plant and equipment	554	432
Depreciation of right-of-use asset	445	532
Interest expense	38	59
Interest income	(5)	(17)
Income distribution from short-term fund	(987)	(375)
Inventories written off	118	59
Impairment loss:-		
-Trade receivables	-	1,802
-Non-trade receivables	-	2,000
-Intangible assets	-	12,857
-Right-of-use asset	-	203
Gain on disposal of property, plant and equipment	-	(9)
Fair value gain on investment	(505)	(677)
Reversal of impairment loss on inventories	(84)	(9)
Share-based payments	6,686	2,901
Unrealised foreign exchange loss/(gain)	318	(376)
Operating loss before working capital changes	(6,641)	(4,561)
Changes in working capital:-		
Inventories	(215)	18
Contract asset	(594)	-
Contract liabilities	1,056	-
Payables	8,705	(6,566)
Receivables	(15,807)	2,215
Net cash used in operating activities	(13,496)	(8,894)
<b>Investing activities</b>		
Acquisition of:		
- Property, plant and equipment	(334)	(116)
- Investment properties	-	(1,238)
- Intangible assets	(8,279)	-
- Right-of-use asset	(90)	(78)
- Subsidiary	(46)	-
Income received from short-term fund	987	375
Interest received	5	17
Proceed on withdrawal of investment	2,602	834
Proceed on disposal of property, plant and equipment	6	44
Net cash used in investing activities	(5,149)	(162)



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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**

**Financing activities**

Proceed from issuance of ordinary shares pursuant to		
- ESOS	24,051	4,394
- Private placement	5,759	4,625
- Warrant exercised	-	7
- Right issues	67,151	-
Interest paid	(38)	(59)
Repayment of lease liabilities	(509)	(515)
	<hr/>	<hr/>
Net cash from financing activities	96,414	8,452

**CASH AND CASH EQUIVALENTS**

Net changes	77,769	(604)
Effects of changes in foreign exchange rate	(68)	503
Brought forward	22,490	22,591
	<hr/>	<hr/>
Carried forward	100,191	22,490

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

Cash and bank balances and short-term funds	<hr/> <hr/>	<hr/> <hr/>
	100,191	22,490



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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

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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
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**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>



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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:-

i) The Company issued new ordinary shares pursuant to ESOS exercise as below:

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Corporate Exercise	Listing Date	No. of Shares '000	Share Price RM	Proceeds RM'000
ESOS	06 August 2020	65,000	0.0500	3,250
ESOS	23 December 2020	26,000	0.0850	2,210
ESOS	08 January 2021	30,000	0.0725	2,175
ESOS	16 February 2021	30,000	0.0600	1,800
ESOS	22 February 2021	30,000	0.0600	1,800
ESOS	25 February 2021	30,000	0.0650	1,950



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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):-

i) The Company issued new ordinary shares pursuant to ESOS exercise as below (cont'd):

Corporate Exercise	Listing Date	No. of Shares '000	Share Price RM	Proceeds RM'000
ESOS	05 March 2021	30,000	0.0625	1,875
ESOS	16 March 2021	30,000	0.0625	1,875
ESOS	22 March 2021	100,000	0.0600	6,000
ESOS	23 March 2021	16,049	0.0575	922
ESOS	19 May 2021	4,815	0.0400	194
<b>TOTAL</b>				<b>24,051</b>

ii) The Company issued new ordinary shares pursuant to Rights Issue exercise as below:

Corporate Exercise	Listing Date	No. of Shares '000	Share Price RM	Proceeds RM'000
Right Issue	14 Dec 2020	755,123	0.0900	67,961
Warrant C	14 Dec 2020	440,489	-	-
<b>TOTAL</b>				<b>67,961</b>

iii) The Company issued new ordinary shares pursuant to Private Placement exercise as below:

Corporate Exercise	Listing Date	No. of Shares '000	Share Price RM	Proceeds RM'000
Private Placement	08 Jul 2020	110,000	0.0318	3,498
Private Placement	21 Jul 2020	57,365	0.0452	2,593
<b>TOTAL</b>				<b>6,091</b>

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

- 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.
- 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.





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**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

**Business segments**

Year Ended 30.06.2021	Research and development, and assembling	Films production	Trading	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	9,254	-	75,064	(336)	83,982
<b>Result:</b>					
Segment result	(15,210)	(1,600)	73	(437)	(17,174)
Other Income	989	4	600	107	1,700
Loss Before Tax	(14,221)	(1,596)	673	(330)	(15,474)
Segment Assets	99,964	1,772	2,330	44,824	148,890
Segment Liabilities	7,533	2,153	2,692	(4)	12,374

**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:-

Year Ended 30.06.2021	Malaysia	Outside Malaysia	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	7,030	77,288	(336)	83,982
<b>Result:</b>				
Segment result	(16,149)	(588)	(437)	(17,174)
Other Income	425	1,168	107	1,700
Loss Before Tax	(15,724)	580	(330)	(15,474)



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**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 7 July 2021, the Company proposed to undertake a private placement up to 241,568,000 new ordinary shares representing 20% of the existing total number of issued shares in which Bursa Securities approved the proposed private placement on 23 July 2021. The private placement was completed on 14 September 2021 with issue price of RM0.036.

On 30 August 2021, the Company acquired 2,500,000 ordinary shares at RM1.00 for a total consideration of RM5,000,000 representing 100% shareholdings of Ikhlas Al Dain Sdn Bhd (“IKHLAS”).

On 14 September 2021, 73,915,000 share option was offered to eligible employee at an exercise price of RM0.0425 each.

**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 30 June 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.



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**A14. Fair Value Measurement (Cont'd)**

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).

<u>Group</u>	<b>As at 30.06.2021 RM'000 (unaudited)</b>	<b>As at 30.06.2020 RM'000 (audited)</b>
<u>Level 1</u>		
Unit trust fund	14	14
Trust assets	1,712	4,077
	1,726	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 June 2021.

**A15. Capital Commitments**

Capital commitments at 30 June 2021 as follows:-

	<b>As at 30.06.2021 RMB</b>	<b>As at 30.06.2021 RM</b>
<b>Approved and contracted for:</b>		
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
	-	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 (%)	Year Ended		Changes (%)
	30.06.2021 RM'000 (unaudited)	30.06.2020 RM'000 (unaudited)		30.06.2021 RM'000 (unaudited)	30.06.2020 RM'000 (unaudited)	
Revenue	51,980	823	>100	83,982	8,319	>100
Gross (loss)/profit	(263)	322	>100	2,122	1,051	>100
Loss before interest and tax	(2,052)	(21,771)	91	(15,441)	(25,971)	41
Loss before tax	(2,052)	(21,850)	91	(15,474)	(26,013)	41
Loss after tax	(2,052)	(21,850)	91	(15,474)	(26,013)	41
Loss attributable to ordinary equity holders of the parent	(1,650)	(21,800)	92	(14,586)	(25,756)	43

The Group registered revenue of RM51.98 million for the three (3) months ended 30 June 2021 which was significantly higher than the previous corresponding quarter of RM0.82 million. The increase in revenue was contributed by our subsidiary Inbase Partners Limited (“**Inbase**”) of 49.06 million mixture of fintech corporate advisory and trading of precious metal and from Mlabs Research Sdn Bhd (“**Research**”) on supplying and trading of web conferencing related products and services of RM2.81 million. The current financial quarter recorded a lower loss of RM2.05 million compared to preceding corresponding financial quarter of RM21.85 million. This is attributable to the impairment loss of trade receivables, non-trade receivables and intangible assets of RM1.80 million, RM2.00 million and RM12.86 million respectively in preceding corresponding financial quarter.

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

Group Results	Quarter Ended		Changes (%)
	30.06.2021 RM'000 (unaudited)	31.03.2021 RM'000 (unaudited)	
Revenue	51,980	26,527	97
Gross profit	(263)	1,223	>100%
Loss before interest and tax	(1,547)	(6,161)	67
Loss before tax	(2,052)	(6,169)	67
Loss after tax	(2,052)	(6,169)	67
Loss attributable to ordinary equity holders of the parent	(1,650)	(5,718)	71

The Group registered higher revenue of RM51.98 million in the current financial quarter compared to immediate preceding financial quarter of RM26.53 million. The higher revenue and gross profit from current financial quarter are mainly generated from our subsidiary Inbase and Research from the supply and trading of web conferencing related products and services.

The Group recorded a lower loss of RM2.05 million as compared to immediate preceding financial quarter of RM6.17 million with share based payment expenses of RM3.14 million and marketing expenses of RM1.00 million incurred in immediate preceding financial quarter.



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**B3. Commentary on Prospects**

With the rising number of Covid 19 cases in Malaysia, the government implemented travel restriction in order to curb the spreading of the virus with a full Movement Control order starting on 1 June 2021. Malaysia is slowly progressing in accordance to the National Recovery Plan with most of the states advanced to Phase 2 to 4 except for Kedah and Johor.

The Group's multimedia video conferencing business had been receiving increased demand with businesses adopting to the new norm of remote workings. Additionally, the Group has been concurrently developing mobile applications that are expected to complement our existing businesses. These will be introduced to the market progressively upon the completion of the applications.

The Group have been working on diversifying the business and had showed progress from the newly acquired or incorporated subsidiaries locally and internationally.

On 30 August 2021, the Group acquired IKHLAS as an opportunity to acquire a factoring business which business model can be transformed and improved by introduction and application of the Group's digital technology into this business to create another stream of business that contributes revenue and earnings to the Group. Furthermore, IKHLAS currently holds the development rights on the Lands which are approved for hotel resort and commercial development which would expand the Group's business base and earnings.

Longhouse, a subsidiary of the Group principally involved in motion picture, video and television programmes currently have several projects in its production pipeline and expected to be released in the fourth quarter of 2021 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 but not completed as at the date of this report.

**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.



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**B9. Utilisation of Proceeds Raised from Corporate Proposal (Cont'd)**

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	5,749	160	Within 24 months
Expenses in relation to the proposals	332	332	-	Immediate
	9,241	7,081	2,160	

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	1,142	10,419	Within 24 months
Expenses in relation to the proposals	800	800	-	Immediate
	67,961	9,542	58,419	

On 14 September 2021, the Company had raised total proceeds of RM8.7 million from the private placement by issuance of 241,568,000 new ordinary shares

Purpose	Proposed Utilisation	Actual Utilisation	Balance	Intended Timeframe for Utilisation
	RM'000	RM'000	RM'000	
Development of "Panda and Friends" animated series	8,538	-	8,538	Within 36 months
Expenses in relation to the proposals	158	158	-	Immediate
	8,696	158	8,538	

**B10. Borrowings and Debts Securities**

There were no borrowings or debt securities in the Group as at 30 June 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 Year Ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Losses attributable to ordinary shareholders of the Company (RM'000)	(1,650)	(21,801)	(14,586)	(25,757)
Weighted average number of ordinary shares in issue ('000)	1,205,672	87,786	647,585	73,440
Basic & diluted losses per share (sen)	(0.14)	(24.83)	(2.25)	(35.07)

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 Year Ended	
	30.06.2021 RM'000	30.06.2020 RM'000	30.06.2021 RM'000	30.06.2020 RM'000
Interest expense	2	54	38	59
Interest income	(2)	25	(5)	(17)
Income distribution from short term fund	(369)	(326)	(987)	(375)
Depreciation and amortisation	845	1,071	3,257	3,034
Gain on disposal of property, plant and equipment	-	-	-	(9)
Fair value adjustment on investment and short-term fund	89	(215)	(505)	(677)
Unrealised foreign exchange loss/(gain)	(1,253)	28	317	(376)
Share based payment	30	2,600	6,686	2,901
Write off of inventories	-	59	118	59
Impairment loss:-				
- Trade receivables	-	1,802	-	1,802
- Non-trade receivables	-	2,000	-	2,000
- Intangible assets	-	12,857	-	12,857
- Right-of-use asset	-	203	-	203
Reversal of impairment loss on:				
- Inventories	-	-	(84)	-
Realised foreign exchange loss/(gain)	66	34	(25)	(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 30.06.2021 RM'000 (unaudited)	As at 30.6.2020 RM'000 (audited)
Trade receivables	5,429	3,127
Less: Impairment losses	(2,260)	(2,260)
	3,169	867

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

	As at 30.06.2021 RM'000 (unaudited)	As at 30.06.2020 RM'000 (audited)
Neither past due nor impaired	481	846
Past due but not impaired:		
Less than 3 months	303	20
3 to 6 months	1,186	1
More than 6 months	1,199	-
Past due and impaired	2,260	2,260
Trade receivables (gross)	5,429	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.