

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

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2022**

The Board of Directors of Mlabs Systems Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 30 September 2022 which should be read in conjunction with the audited consolidated financial statements for the financial year ended 30 June (“FYE”) 2022 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	
		30.09.2022 RM'000 (unaudited)	30.09.2021 RM'000 (unaudited)	30.09.2022 RM'000 (unaudited)	30.09.2021 RM'000 (unaudited)
Revenue	A8	4,509	2,783	4,509	2,783
Cost of sales		(2,296)	(1,677)	(2,296)	(1,677)
Gross profit		2,213	1,106	2,213	1,106
Other income		700	892	700	892
Administrative and operating expenses		(4,173)	(2,776)	(4,173)	(2,776)
Selling and distribution expenses		(419)	(140)	(419)	(140)
Other operating expenses		(1,000)	(1,196)	(1,000)	(1,196)
Loss from operations		(2,679)	(2,114)	(2,679)	(2,114)
Finance costs		(38)	(8)	(38)	(8)
Loss before tax	B14	(2,717)	(2,122)	(2,717)	(2,122)
Tax expense	B7	-	-	-	-
Loss for the financial period		(2,717)	(2,122)	(2,717)	(2,122)
Other comprehensive income:- Item that will be subsequently reclassified to profit or loss					
Exchange differences on translating foreign operation		1,943	466	1,943	466
Other comprehensive income for the financial period		1,943	466	1,943	466
Total comprehensive loss for the financial period		(774)	(1,656)	(774)	(1,656)
Loss for the financial period attributable to:					
- Owners of the Company		(2,414)	(1,873)	(2,414)	(1,873)
- Non-controlling interests		(303)	(249)	(303)	(249)
		(2,717)	(2,122)	(2,717)	(2,122)
Total comprehensive loss attributable to:					
- Owners of the Company		(591)	(1,427)	(591)	(1,427)
- Non-controlling interests		(183)	(229)	(183)	(229)
		(774)	(1,656)	(774)	(1,656)
Losses per share attributable to Owners of the Company					
Basic & diluted (sen)	B13	(0.17)	(0.15)	(0.17)	(0.15)

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As At 30.09.2022 RM'000 (unaudited)	As At 30.06.2022 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		11,917	11,665
Intangible assets		6,467	6,775
Investment properties		18,615	18,657
Right-of-use assets		3,242	3,545
Development right		11,215	11,215
Other investments		3,840	4,740
Trade receivables	B15	2,567	-
Total non-current assets		<u>57,863</u>	<u>56,597</u>
Current assets			
Inventories		631	618
Trade receivables	B15	26,029	15,113
Non-trade receivables, deposits and prepayments		4,057	4,185
Other investments		6,220	-
Contract assets		163	223
Tax recoverable		42	42
Cash, bank balances and short-term fund		49,594	66,969
Total current assets		<u>86,736</u>	<u>87,150</u>
Total assets		<u>144,599</u>	<u>143,747</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		110,049	110,049
Reserves		20,884	21,475
Equity attributable to Owners of the Company		<u>130,933</u>	<u>131,524</u>
Non-controlling interests		358	541
Total equity		<u>131,291</u>	<u>132,065</u>
LIABILITIES			
Non-current liability			
Lease liabilities		2,355	2,636
Current liabilities			
Trade payables		604	896
Non-trade payables and accruals		7,966	5,588
Contract liabilities		283	399
Lease liabilities		1,072	1,091
Amount due to directors		1,012	916
Taxation		16	156
Total current liabilities		<u>10,953</u>	<u>9,046</u>
Total liabilities		<u>13,308</u>	<u>11,682</u>
Total equity and liabilities		<u>144,599</u>	<u>143,747</u>
Net asset per share (RM)		<u>0.092</u>	<u>0.093</u>

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

< ----- Non-distributable ----- > **Distributable**

	Share capital 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 2022	110,049	1,395	44,798	(24,718)	131,524	541	132,065
Loss for the financial period	-	-	-	(2,414)	(2,414)	(303)	(2,717)
Other comprehensive income for the financial period							
- Exchange translation differences	-	1,823	-	-	1,823	120	1,943
Total comprehensive loss for the financial period	-	1,823	-	(2,414)	(591)	(183)	(774)
As at 30 September 2022	110,049	3,218	44,798	(27,132)	130,933	358	131,291
As at 30 June 2021	101,402	(331)	44,798	(10,719)	135,150	889	136,039
Loss for the financial period	-	-	-	(1,873)	(1,873)	(249)	(2,122)
Other comprehensive income for the financial period							
- Exchange translation differences	-	447	-	-	447	19	466
Total comprehensive loss for the financial period	-	447	-	(1,873)	(1,426)	(230)	(1,656)
Ordinary shares issued pursuant to:-							
- Private placement	8,647	-	-	-	8,647	-	8,647
As at 30 September 2021	110,049	116	44,798	(12,592)	142,371	659	143,030

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CONSOLIDATED STATEMENT OF CASH FLOWS

	Period Ended	
	30.09.2022 RM'000 (unaudited)	30.09.2021 RM'000 (unaudited)
Operating activities		
Loss before tax	(2,717)	(2,122)
Adjustments for:-		
Amortisation of intangible assets	633	7
Depreciation of investment properties	42	18
Depreciation of property, plant and equipment	215	148
Depreciation of right-of-use assets	261	83
Fair value adjustment on investment	(638)	33
Fair value loss on quoted shares	900	-
Income distribution from short-term fund	(32)	(156)
Interest expense	38	8
Interest income	-	(1)
Inventories written off	5	2
Property, plant & equipment written off	6	-
Unrealised foreign exchange loss/(gain)	96	(101)
Operating loss before working capital changes	(1,191)	(2,081)
Changes in working capital:-		
Inventories	(18)	(304)
Payables and contract liabilities	1,970	10,729
Receivables and contract assets	(13,295)	6,219
Cash (used in)/generated from operating activities	(12,534)	14,563
Tax paid	(140)	-
Net cash (used in)/generated from operating activities	(12,674)	14,563
Investing activities		
Acquisition of:		
- Property, plant and equipment	(391)	(7,795)
- Investment properties	-	(9,800)
Income received from short-term fund	32	156
Interest received	-	1
Fair value change from short-term investment	90	-
Placement of investments	(5,471)	(4,757)
Net cash used in investing activities	(5,740)	(22,195)

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Period Ended	
	30.09.2022 RM'000 (unaudited)	30.09.2021 RM'000 (unaudited)
Financing activities		
Advance from director	96	-
Proceed from issuance of ordinary shares pursuant to private placement	-	8,647
Interest paid	(38)	(8)
Payment of lease liabilities	(300)	(121)
Net cash (used in)/generated from financing activities	(242)	8,518
CASH AND CASH EQUIVALENTS		
Net changes	(18,656)	886
Effects of changes in foreign exchange rate	1,281	403
Brought forward	66,969	100,236
Carried forward	49,594	101,525
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash, bank balances and short-term fund	49,594	101,525

**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 2022 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 2022.

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 2022 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 2022.

The Group has adopted the following amendments/improvements to MFRSs during the financial year.

Amendments/Improvements to MFRSs

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

The adoption of the above amendments/improvements to MFRSs did not have material impact on the financial statements of the Group and of the Company.

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

New MFRS and amendments/improvements to MFRSs effective for financial periods beginning on or after 1 January 2023

MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements - Classifications of Liabilities as Current or Non-current & Disclosure of Accounting Policies</i>
Amendments to MFRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates</i>
Amendments to MFRS 112	<i>Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

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A1. Basis of Preparation (Cont'd)

New MFRS and amendments/improvements to MFRSs effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16 *Leases – lease liability in a sale and leaseback*

Amendments/improvements to MFRSs which the effective date is deferred to a date to be determined and announced

Amendments to MFRS 10 *Consolidated Financial Statements and Investment in Associates and Joint
and MFRS 128 Ventures – Sale or Contribution of Assets between an Investor and its
Associate or Joint Venture*

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 auditors' report on the annual audited financial statements for the financial year ended 30 June 2022 was not qualified.

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 flows 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 debt and equity securities of the Group during the current financial quarter and period.

A7. Dividends Paid

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

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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 is 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 four reportable segments as follows:-

Research and development, and assembling	:	Research and development, assembling and trading of multimedia video conferencing system, IT, fintech and digitalisation related products and services, and mobile application solutions
Films	:	Film distribution rights, investment, production and related services
Trading	:	Trading of alcohol products, kitchen equipment and related products
Factoring	:	Business of factoring, development financing, leasing and building credit.

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A8. Segmental Information (Cont'd)

Business segments (Cont'd)

Period Ended 30.09.2022	Research and development, and assembling	Films	Trading	Factoring	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	3,287	-	405	893	(76)	4,509
Results:						
Segment results	(3,305)	(138)	(290)	315	1	(3,417)
Other income	684	3	14	-	(1)	700
(Loss)/profit before tax	(2,621)	(135)	(276)	315	-	(2,717)
Segment assets	203,687	904	36,528	39,658	(136,178)	144,599
Segment liabilities	29,581	4,576	35,270	35,365	(91,484)	13,308

Geographical segments

The business segments are managed in two principal locations namely Malaysia 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 30.09.2022	Malaysia	Outside Malaysia	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue	2,426	2,159	(76)	4,509
Results:				
Segment results	(2,434)	(984)	1	(3,417)
Other income	142	559	(1)	700
Loss before tax	(2,292)	(425)	-	(2,717)

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

There is no event after the end of the quarter.

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A11. Changes in Composition of the Group

There were no 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 2022.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

When measuring the fair value of an asset or a liability, the Group use observable market data as far as possible. Fair value is recognised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

	As at 30.09.2022 RM'000 (unaudited)	As at 30.06.2022 RM'000 (audited)
Group		
Financial assets		
<u>Level 1</u>		
Unit trust fund	<u>15</u>	<u>15</u>
<u>Level 3</u>		
Other receivables – film investments	<u>265</u>	<u>265</u>
Financial liabilities		
<u>Level 3</u>		
Other payables – film investments	<u>265</u>	<u>265</u>

The Group does not have any financial liabilities carried at fair value nor any financial instruments classified as Level 2 as at 30 September 2022.

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A15. Capital Commitments

Capital commitments at 30 September 2022 as follows:-

	As at 30.09.2022 RMB	As at 30.09.2022 RM
Approved and contracted for:		
RCPS subscriptions	-	500,000
Registered share capital of SCCDL to be paid up by 31 December 2046	1,000,000	653,100

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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 (%)
	30.09.2022 RM'000 (unaudited)	30.09.2021 RM'000 (unaudited)		30.09.2022 RM'000 (unaudited)	30.09.2021 RM'000 (unaudited)	
Revenue	4,509	2,783	62	4,509	2,783	62
Gross profit	2,213	1,106	100	2,213	1,106	100
Loss before interest and tax	(2,679)	(2,114)	27	(2,679)	(2,114)	27
Loss before tax	(2,717)	(2,122)	28	(2,717)	(2,122)	28
Loss after tax	(2,717)	(2,122)	28	(2,717)	(2,122)	28
Loss attributable to ordinary equity holders of the parent	(2,414)	(1,873)	29	(2,414)	(1,873)	29

The Group registered revenue of RM4.51 million for the three (3) months ended 30 September 2022, mainly generated from Inbase Partners Limited (“**Inbase**”) on technology and corporate advisory services (RM2.1 million), Mlabs Research Sdn. Bhd. (“**Research**”) on provision of digitalisation solution and services (RM0.93 million) and Ikhlas Al Dain Sdn. Bhd. (“**Ikhlas**”) on provision of factoring services (RM0.89 million). The improvement of gross profit margin in the current quarter was mainly due to higher margin from provision of factoring services. The current quarter loss after tax of RM2.72 million as compared to preceding corresponding quarter loss after tax of RM2.12 million was mainly due to amortisation of intangible assets amounting to RM0.63 million, fair value loss on investment in quoted shares of RM0.90 million and lower unrealised foreign exchange loss in the current financial quarter.

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

Group Results	Quarter Ended		Changes (%)
	30.09.2022 RM'000 (unaudited)	30.06.2022 RM'000 (unaudited)	
Revenue	4,509	5,248	14
Gross profit	2,213	2,557	13
Loss before interest and tax	(2,679)	(7,461)	64
Loss before tax	(2,717)	(7,551)	64
Loss after tax	(2,717)	(7,632)	64
Loss attributable to ordinary equity holders of the parent	(2,414)	(6,748)	64

The Group registered lower revenue of RM4.51 million in the current quarter compared to the immediate preceding quarter of RM5.25 million. The lower revenue and gross profit recorded in the current quarter was mainly due to Research’s project on the supply and trading of IT and web conferencing related products and services being completed in the preceding quarter.

The Group recorded loss after tax of RM2.72 million as compared to the immediate preceding quarter loss after tax of RM7.63 million mainly due to impairment of intangible asset RM3.90 million and impairment of trade & other receivables of RM0.99 million in preceding quarter.

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B3. Commentary on Prospects

The Group expects financial year ending 2023 to remain challenging in view of the global softening economy and fast-rising inflation rate which may potentially triggers a global recession. The current political uncertainty, the rising geopolitical tension between the United States and China and the ongoing war in Ukraine have created a volatile and uncertain business environment for companies to operate. Despite challenges on the economic outlook, the Group is optimistic on the business potential of the ICT industry and factoring industry.

To remain dominant in this fast-growing market which has gained strong traction and demand in the last three years due largely to restrictions on physical meetings and contact to mitigate Covid transmission, improvement in internet bandwidth and WIFI technology, the Group is continually enhancing and extending its range of digitalisation solutions offering to its customers. In FYE 2020, the Group launched its virtual and hybrid events solution and services to cater for demand from organisations to hold virtual events to meet their statutory and regulatory compliance requirements during the covid restriction periods. As of to date, the Group has conducted over 147 virtual general meetings for public limited companies. The Group is expanding its technological know-how into cybersecurity which offers enterprise grade to end-user cybersecurity hardware and software solutions aimed at combating cybersecurity threats against networked systems and applications perpetrated internally or externally as part of its on-going efforts to strengthening its products offering and technological prowess.

Inbase Partners Limited (“Inbase”), a subsidiary company in Taiwan, offers cutting edge fintech and digital advisory services. To enhance its business which include investment in digital assets and precious metals by using its in-house proprietary and other digital platforms, Inbase is actively identifying and developing other business opportunities. Inbase’s proprietary Catch Markets, a digital trading platform to match commodities buyers and sellers in a secured and regulated trading manner, was launched during the FYE 2022 and had since expanded its range of “Catch” products to include Catch OTC, Catch Matrix and Catch Risk which aims to offer more comprehensive digital trading experience. The addition of more functionalities to cater for more physical commodity products and different levels of access will help to contribute increased revenue for the Group in the current financial year.

Our factoring business operated under Ikhlas started operation in January 2022 and we expect this business to continue to contribute positively to the revenue and earnings of the Group in the current financial year and also in the coming financial years. Our factoring business will focus on funding companies in the IT sector as it is a sector where our core expertise lies. We have embarked on the task of transforming Ikhlas’s conventional factoring business into a digital based factoring entity. The transformation of Ikhlas’s business model encompasses the introduction of its own digital platform website allowing inter alia online acceptance of customers’ new application and customers’ information verification. Apart from that, a contact centre is also made available for online interaction with customers and applicants.

Under another subsidiary company of the Company, Inshub Sdn. Bhd., an upcoming broadcasting and livestreaming event space is scheduled to be completed in the second half of financial year ending 2023. The 5,000 sq ft event space sectioned into 3 functional areas are equipped with various state of the art conferencing, broadcasting and livestreaming capabilities that can handle various event needs. The main auditorium will be equipped with immersive 360 degrees wall image projection that could show contents up to 12k image quality. The team is planning various initiatives to promote event space aimed at hosting fully virtual or hybrid events, talk shows, and various exclusive shows which include pre-recorded and live broadcast formats.

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B3. Commentary on Prospects (Cont'd)

Our Winelouvre and Pacifica2u divisions focus on trading of alcohol and related products on online store (www.winelouvre.com) and trading of white goods through online store (www.pacifica2u.com). In FYE 2022, Winelouvre expanded its offering by conducting wine tasting classes conducted by wine experts and brand ambassadors for wine enthusiasts, aimed at attracting high net worth customers who are interested in collectable and exclusive fine wines. Pacifica2u, on the other hand, ventured into a VIP private kitchen and dining business to complement Winelouvre's wine tasting classes. The private kitchen offers exclusive dining menu customised for the occasion and experience to suit individual preferences and to complement the wine tasting sessions and wherever possible to elevate diners' dining experience.

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 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	20,077	4,923	Within 24 months
Working Capital	11,561	9,428	2,133	Within 24 months
Expenses in relation to the proposals	800	800	-	Immediate
	<u>67,961</u>	<u>37,905</u>	<u>30,056</u>	

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 animated series	8,538	-	8,538	Within 36 months
Expenses in relation to the proposals	158	158	-	Immediate
	<u>8,696</u>	<u>158</u>	<u>8,538</u>	

B10. Borrowings and Debts Securities

There were no borrowings or debt securities in the Group as at 30 September 2022.

B11. Material Litigation

There were no material 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 losses 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	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Losses attributable to ordinary shareholders of the Company (RM'000)	(2,414)	(1,873)	(2,414)	(1,873)
Weighted average number of ordinary shares in issue ('000)	1,449,409	1,252,479	1,449,409	1,252,479
Basic & diluted losses per share (sen)	(0.17)	(0.15)	(0.17)	(0.15)

- (b) Diluted

The Group has no potential dilutive shares outstanding as at 30 September 2022.

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

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

	INDIVIDUAL QUARTER Quarter Ended		CUMULATIVE QUARTER Year Ended	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
Interest expense	38	8	38	8
Interest income	-	(1)	-	(1)
Income distribution from short-term fund	(32)	(156)	(32)	(156)
Inventories written off	5	2	5	2
Amortisation and depreciation	1,151	256	1,151	256
Fair value adjustment on investment and short-term fund	(638)	33	(638)	33
Fair value loss on quoted share	900	-	900	-
Unrealised foreign exchange gain	(12)	(101)	(12)	(101)
Realised foreign exchange loss	96	1,161	96	1,161
Property, plant & equipment written off	6	-	6	-

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 30.09.2022 RM'000 (unaudited)	As at 30.06.2022 RM'000 (audited)
Trade receivables		
Non-current assets	2,567	-
Current assets	26,029	17,377
Total	30,860	17,377
Less: Impairment losses	(2,264)	(2,264)
	28,596	15,113

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

	As at 30.09.2022 RM'000 (unaudited)	As at 30.06.2022 RM'000 (audited)
Neither past due nor impaired	26,423	4,314
Past due but not impaired:		
Less than 3 months	443	10,303
3 to 6 months	571	111
More than 6 months	1,159	385
Past due and impaired	2,264	2,264
Trade receivables (gross)	30,860	17,377

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.