

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

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2022**

The Board of Directors of Mlabs Systems Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 31 December 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	
		31.12.2022 RM'000 (unaudited)	31.12.2021 RM'000 (unaudited)	31.12.2022 RM'000 (unaudited)	31.12.2021 RM'000 (unaudited)
Revenue	A8	6,505	9,383	11,014	12,166
Cost of sales		(2,568)	(7,657)	(4,864)	(9,334)
Gross profit		3,937	1,726	6,150	2,832
Other income		3,960	1,545	4,660	2,437
Administrative and operating expenses		(4,395)	(3,129)	(8,568)	(5,905)
Selling and distribution expenses		(349)	(1,514)	(768)	(1,654)
Other operating expenses		(1,679)	786	(2,679)	(410)
Profit/(Loss) from operations		1,474	(586)	(1,205)	(2,700)
Finance costs		(43)	(293)	(81)	(301)
Share of results of associates, net of tax		12	-	12	-
Profit/(Loss) before tax	B14	1,443	(879)	(1,274)	(3,001)
Tax expense	B7	-	-	-	-
Profit/(Loss) for the financial period		1,443	(879)	(1,274)	(3,001)
Other comprehensive (loss)/income:-					
Item that will be subsequently reclassified to profit or loss					
Exchange differences on translating foreign operations		(1,268)	195	675	661
Other comprehensive (loss)/income for the financial period		(1,268)	195	675	661
Total comprehensive income/(loss) for the financial period		175	(684)	(599)	(2,340)
Profit/(Loss) for the financial period attributable to:					
- Owners of the Company		1,792	(1,009)	(622)	(2,882)
- Non-controlling interests		(349)	130	(652)	(119)
		1,443	(879)	(1,274)	(3,001)
Total comprehensive income/(loss) attributable to:					
- Owners of the Company		627	(909)	36	(2,336)
- Non-controlling interests		(452)	225	(635)	(4)
		175	(684)	(599)	(2,340)
Earnings/(Losses) per share attributable to					
Owners of the Company	B13				
Basic & diluted (sen)		0.12	(0.07)	(0.04)	(0.21)

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CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As At 31.12.2022 RM'000 (unaudited)	As At 30.06.2022 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		16,260	11,665
Intangible assets		5,511	6,775
Investment properties		18,573	18,657
Right-of-use assets		2,829	3,545
Development right		11,215	11,215
Investment in associates		12	-
Other investments		7,040	4,740
Trade receivables	B15	2,229	-
Total non-current assets		<u>63,669</u>	<u>56,597</u>
Current assets			
Inventories		719	618
Trade receivables	B15	18,722	15,113
Non-trade receivables, deposits and prepayments		4,094	4,185
Other investments		6,473	-
Contract assets		75	223
Tax recoverable		42	42
Cash, bank balances and short-term fund		50,179	66,969
Total current assets		<u>80,304</u>	<u>87,150</u>
Total assets		<u>143,973</u>	<u>143,747</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		110,049	110,049
Reserves		21,511	21,475
Equity attributable to Owners of the Company		<u>131,560</u>	<u>131,524</u>
Non-controlling interests		2,283	541
Total equity		<u>133,843</u>	<u>132,065</u>
LIABILITIES			
Non-current liability			
Lease liabilities		2,141	2,636
Current liabilities			
Trade payables		485	896
Non-trade payables and accruals		4,327	5,588
Contract liabilities		2,369	399
Lease liabilities		879	1,091
Amount due to directors		3	916
Taxation		16	156
Total current liabilities		<u>7,989</u>	<u>9,046</u>
Total liabilities		<u>10,130</u>	<u>11,682</u>
Total equity and liabilities		<u>143,973</u>	<u>143,747</u>
Net asset per share (RM)		<u>0.094</u>	<u>0.093</u>

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**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2022**

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	-	-	-	(622)	(622)	(652)	(1,274)
Other comprehensive income for the financial period							
- Exchange translation differences	-	658	-	-	658	17	675
Total comprehensive loss for the financial period	-	658	-	(622)	36	(635)	(599)
Dilution of interest in subsidiaries	-	-	-	-	-	2,377	2,377
As at 31 December 2022	110,049	2,053	44,798	(25,340)	131,560	2,283	133,843
As at 30 June 2021	101,402	(331)	44,798	(10,719)	135,150	889	136,039
Loss for the financial period	-	-	-	(2,882)	(2,882)	(119)	(3,001)
Other comprehensive income for the financial period							
- Exchange translation differences	-	546	-	-	546	115	661
Total comprehensive loss for the financial period	-	546	-	(2,882)	(2,336)	(4)	(2,340)
Arising from increase in equity interest in a subsidiary	-	-	-	(963)	(963)	862	(101)
Ordinary shares issued pursuant to:-							
- Private placement	8,647	-	-	-	8,647	-	8,647
As at 31 December 2021	110,049	215	44,798	(14,564)	140,498	1,747	142,245

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

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2022**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Period Ended	
	31.12.2022 RM'000 (unaudited)	31.12.2021 RM'000 (unaudited)
Operating activities		
Loss before tax	(1,274)	(3,001)
Adjustments for:-		
Amortisation of intangible assets	1,278	62
Depreciation of investment properties	84	59
Depreciation of property, plant and equipment	738	420
Depreciation of right-of-use assets	562	167
Fair value adjustment on investment	(1,344)	292
Fair value loss/(gain) on quoted shares	450	(780)
Income distribution from short-term fund	(134)	(156)
Gain on disposal of right-of-use assets	(35)	-
Gain on derecognition of right-of-use assets	(136)	-
Gain on dilution of interest in subsidiaries	(2,671)	-
Interest expense	81	15
Interest income	(5)	(2)
Preferences shares dividend income	(7)	-
Inventories written off	5	2
Property, plant & equipment written off	6	-
Reversal of impairment on trade receivables	(4)	-
Share of results of associates	(12)	-
Unrealised foreign exchange loss/(gain)	924	(115)
Operating loss before working capital changes	(1,494)	(3,037)
Changes in working capital:-		
Inventories	(106)	(496)
Payables and contract liabilities	2,086	432
Receivables and contract assets	(5,683)	12,971
Cash (used in)/generated from operating activities	(5,197)	9,870
Tax paid	(140)	-
Net cash (used in)/generated from operating activities	(5,337)	9,870
Investing activities		
Acquisition of:		
- Property, plant and equipment	(5,483)	(8,112)
- Investment properties	-	(9,800)
- Intangible assets and software development	-	(11,222)
- Quoted shares	-	(4,620)
Proceeds from disposal of property, plant and equipment	1	-
Proceeds from disposal of right-of-use-assets	270	-
Net cash outflow from dilution of interest in subsidiaries	(196)	-
Income received from short-term fund	134	156
Interest received	5	2
Fair value change from short-term investment	191	-
Placement of investments	(5,507)	(5,460)
Net cash used in investing activities	(10,585)	(39,056)

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2022

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Period Ended	
	31.12.2022 RM'000 (unaudited)	31.12.2021 RM'000 (unaudited)
Financing activities		
Advance from director	35	-
Proceed from issuance of ordinary shares pursuant to private placement	-	8,647
Interest paid	(81)	(15)
Payment of lease liabilities	(650)	(381)
Net cash (used in)/generated from financing activities	<u>(696)</u>	<u>8,251</u>
CASH AND CASH EQUIVALENTS		
Net changes	(16,618)	(20,935)
Effects of changes in foreign exchange rate	(172)	530
Brought forward	<u>66,969</u>	<u>100,236</u>
Carried forward	<u>50,179</u>	<u>79,831</u>
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash, bank balances and short-term fund	<u>50,179</u>	<u>79,831</u>

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2022**

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>

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2022**

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. |
| Trading | : | Trading of alcohol products, kitchen equipment and related products. |
| Factoring | : | Business of factoring, development financing, leasing and building credit. |
| Others | : | Investment holding, property management agent and related activities, employment agency services and provide all types of training and business management consultancy services, film distribution, film investment, film production and film related services, event management services and related activities. |

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**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2022**

A8. Segmental Information (Cont'd)

Business segments (Cont'd)

Period Ended 31.12.2022	Research and development, and assembling	Trading	Factoring	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	7,068	635	2,625	812	(126)	11,014
Results:						
Segment results	(2,851)	(544)	1,091	(3,755)	125	(5,934)
Other income	1,336	7	-	672	2,645	4,660
(Loss)/profit before tax	(1,515)	(537)	1,091	(3,083)	2,770	(1,274)
Segment assets	48,683	34,978	44,190	178,991	(162,869)	143,973
Segment liabilities	18,172	34,008	39,121	36,389	(117,560)	10,130

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 of the Group is as follows:

Period Ended 31.12.2022	Malaysia	Outside Malaysia	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue	6,471	4,669	(126)	11,014
Results:				
Segment results	(4,817)	(1,242)	125	(5,934)
Other income	856	1,159	2,645	4,660
Loss before tax	(3,961)	(83)	2,770	(1,274)

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.

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2022**

A11. Changes in Composition of the Group

On 9 December 2022, Mlabs Capital Sdn. Bhd., a wholly-owned subsidiary of the Company, incorporated a 100% owned foreign subsidiary, Mlabs Capital Limited, comprising 1 ordinary share for a cash consideration of HK\$1.

On 16 December 2022, the Company's equity interest in Longhouse Films Sdn. Bhd. ("LFSB") reduced from 51% to 49% due to corporate exercise undertaken by LFSB. Subsequently, the Company loses control over LFSB and LFSB's wholly-owned subsidiary, Longhouse Animation Sdn. Bhd.

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 December 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.

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2022**

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 uses 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 the 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 determines 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 31.12.2022 RM'000 (unaudited)	As at 30.06.2022 RM'000 (audited)
Group		
Financial assets		
<u>Level 1</u>		
Unit trust fund	-	15
Quoted shares	4,275	4,725
 <u>Level 3</u>		
Other receivables – film investments	-	265
 Financial liabilities		
<u>Level 3</u>		
Other payables – film investments	-	265

The Group does not have any financial liabilities carried at fair value nor any financial instruments classified as Level 2 as at 31 December 2022.

A15. Capital Commitments

Capital commitments at 31 December 2022 as follows:-

	As at 31.12.2022 RMB	As at 31.12.2022 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	632,200

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

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2022**

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 Quarter Ended			CUMULATIVE QUARTER Year Ended		
	31.12.2022 RM'000 (unaudited)	31.12.2021 RM'000 (unaudited)	Changes (%)	31.12.2022 RM'000 (unaudited)	31.12.2021 RM'000 (unaudited)	Changes (%)
Revenue	6,505	9,383	(31)	11,014	12,166	(9)
Gross profit	3,937	1,726	128	6,150	2,832	117
Profit/(Loss) before interest and tax	1,474	(586)	352	(1,205)	(2,700)	55
Profit/(Loss) before tax	1,443	(879)	264	(1,274)	(3,001)	58
Profit/(Loss) after tax	1,443	(879)	264	(1,274)	(3,001)	58
Profit/(Loss) attributable to ordinary equity holders of the parent	1,792	(1,009)	278	(622)	(2,882)	78

The Group registered revenue of RM6.51 million for the three (3) months ended 31 December 2022, mainly generated from Inbase Partners Limited (“**Inbase**”) on technology and corporate advisory services (RM2.45 million), Mlabs Research Sdn. Bhd. (“**Research**”) on provision of digitalisation solution and services (RM1.48 million) and Ikhlas Al Dain Sdn. Bhd. (“**Ikhlas**”) on provision of factoring services (RM1.73 million). The improvement in gross profit in the current quarter was mainly due to higher revenue and margins from the provision of corporate advisory services and factoring services.

The current quarter profit after tax of RM1.44 million as compared to preceding corresponding quarter loss after tax of RM0.88 million was mainly due to gain arising from dilution of interest in subsidiaries amounting to RM2.67 million, gain on disposal and derecognition of right-of-use assets amounting to RM0.18 million in the current financial quarter.

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

Group Results	Quarter Ended		Changes (%)
	31.12.2022 RM'000 (unaudited)	30.09.2022 RM'000 (unaudited)	
Revenue	6,505	4,509	44
Gross profit	3,937	2,213	78
Profit/(Loss) before interest and tax	1,474	(2,679)	155
Profit/(Loss) before tax	1,443	(2,717)	153
Profit/(Loss) after tax	1,443	(2,717)	153
Profit/(Loss) attributable to ordinary equity holders of the parent	1,792	(2,414)	174

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2022**

B2. Material Changes in Financial Performance for the Quarter Compared with Immediate Preceding Quarter (Cont'd)

The Group registered higher revenue of RM6.51 million in the current quarter compared to the immediate preceding quarter of RM4.51 million. The increase in revenue and gross profit was attributable to higher revenue and margins from provision of corporate advisory services, factoring services and marketing services. The Group recorded profit after tax of RM1.44 million as compared to the immediate preceding quarter loss after tax of RM2.72 million mainly due to gain arising from dilution of interest in subsidiaries amounting to RM2.67 million, gain on disposal and derecognition of right-of-use assets amounting to RM0.18 million in the current financial quarter.

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 trigger 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 largely due 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 159 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 based in Taiwan, offers cutting edge fintech and digital advisory services. Inbase’s business which include investment in digital assets and precious metals is enhance by utilising its in-house proprietary digital platforms. Inbase’s proprietary Catch Markets, a digital trading platform built to match commodities buyers and sellers in a secured and regulated trading manner, was launched in FYE 2022 and had thereafter expanded its range of “Catch” products to include Catch OTC, Catch Matrix and Catch Risk which aimed to offer more comprehensive digital trading experience. The addition of more functionalities to cater for more physical commodity products and different levels of access is expected to contribute positively to the Group.

Our factoring business operated under Ikhlas started its operation in January 2022 and 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.

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2022**

B3. Commentary on Prospects (Cont'd)

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.

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 were no corporate proposals announced as at the date of this report.

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Company No. 200401014724 (653227-V)
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**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2022**

B9. Utilisation of Proceeds Raised from Corporate Proposals

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 36 months
Working Capital	11,561	11,561	-	Within 36 months
Expenses in relation to the proposals	800	800	-	Immediate
	<u>67,961</u>	<u>40,038</u>	<u>27,923</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 31 December 2022.

B11. Material Litigation

There was no material litigation as at the date of this report.

B12. Dividends

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

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

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2022**

B13. Earnings/(Losses) per share

(a) The basic earnings/(losses) per share is computed by dividing the Group's profit/(loss) attributable to ordinary equity holders of the parent with the weighted average number of ordinary shares in issue as follows:

	INDIVIDUAL QUARTER Quarter Ended		CUMULATIVE QUARTER Period Ended	
	31.12.2022 RM'000 (unaudited)	31.12.2021 RM'000 (unaudited)	31.12.2022 RM'000 (unaudited)	31.12.2021 RM'000 (unaudited)
Profit/(Loss) attributable to ordinary equity holders of the parent (RM'000)	1,792	(1,009)	(622)	(2,882)
Weighted average number of ordinary shares in issue ('000)	1,449,409	1,350,944	1,449,409	1,350,944
Basic & diluted earnings/(losses) per share (sen)	0.12	(0.07)	(0.04)	(0.21)

(b) Diluted

The Group has no potential dilutive ordinary shares outstanding as at 31 December 2022.

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

Profit/(loss) before tax has been determined after charging/(crediting), amongst others, the following items:

	INDIVIDUAL QUARTER Quarter Ended		CUMULATIVE QUARTER Period Ended	
	31.12.2022 RM'000 (unaudited)	31.12.2021 RM'000 (unaudited)	31.12.2022 RM'000 (unaudited)	31.12.2021 RM'000 (unaudited)
Interest expense	43	7	81	15
Interest income	(5)	(1)	(5)	(2)
Preferences shares dividend income	(7)	-	(7)	-
Income distribution from short-term fund	(102)	-	(134)	(156)
Inventories written off	-	-	5	2
Amortisation and depreciation	1,511	453	2,662	708
Fair value adjustment on investment and short-term fund	(706)	259	(1,344)	292
Fair value (gain)/loss on quoted share	(450)	(780)	450	(780)
Unrealised foreign exchange gain	12	(14)	-	(115)
Realised foreign exchange loss/(gain)	3	(1,155)	99	6
Property, plant and equipment written off	-	-	6	-
Gain on disposal of right-of-use assets	(35)	-	(35)	-
Gain on derecognition of right-of-use assets	(136)	-	(136)	-
Gain on dilution of interest in subsidiaries	(2,671)	-	(2,671)	-
Reversal of impairment on trade receivables	(4)	-	(4)	-
Share of result of associates	(12)	-	(12)	-

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.

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

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE QUARTER ENDED 31 DECEMBER 2022**

B15. Trade Receivables

	As at 31.12.2022 RM'000 (unaudited)	As at 30.06.2022 RM'000 (audited)
Trade receivables		
Non-current assets	2,229	-
Current assets	20,982	17,377
Total	23,211	17,377
Less: Impairment losses	(2,260)	(2,264)
	<u>20,951</u>	<u>15,113</u>

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

	As at 31.12.2022 RM'000 (unaudited)	As at 30.06.2022 RM'000 (audited)
Neither past due nor impaired	12,364	4,314
Past due but not impaired:		
Less than 3 months	2,563	10,303
3 to 6 months	4,942	111
More than 6 months	1,082	385
Past due and impaired	2,260	2,264
Trade receivables (gross)	<u>23,211</u>	<u>17,377</u>

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.