

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

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED 30 JUNE 2023**

The Board of Directors of Mlabs Systems Berhad is pleased to announce the following unaudited consolidated financial statements for the quarter ended 30 June 2023 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 Year Ended	
		30.06.2023 RM'000 (unaudited)	30.06.2022 RM'000 (unaudited)	30.06.2023 RM'000 (unaudited)	30.06.2022 RM'000 (audited)
Revenue	A8	6,734	5,218	22,455	20,869
Cost of sales		(3,330)	(2,661)	(10,729)	(14,820)
Gross profit		3,404	2,557	11,726	6,049
Other income		968	250	7,973	4,576
Administrative and operating expenses		(4,595)	(4,073)	(18,272)	(15,233)
Selling and distribution expenses		(389)	(870)	(1,594)	(2,755)
Other operating expenses		(4,578)	(5,324)	(7,748)	(5,969)
<b>Loss from operations</b>		(5,190)	(7,460)	(7,915)	(13,332)
Finance costs		(32)	(90)	(147)	(397)
Share of results of associates, net of tax		-	-	-	-
<b>Loss before tax</b>	B14	(5,222)	(7,550)	(8,062)	(13,729)
Tax expense	B7	(520)	(81)	(583)	(614)
<b>Loss for the financial period/year</b>		(5,742)	(7,631)	(8,645)	(14,343)
<b>Other comprehensive income:</b>					
<b>Item that will be subsequently reclassified to profit or loss</b>					
Exchange differences on translating foreign operations		2,436	1,546	2,228	1,823
Other comprehensive income for the financial period/year		2,436	1,546	2,228	1,823
<b>Total comprehensive loss for the financial period/year</b>		(3,306)	(6,085)	(6,417)	(12,520)
<b>Loss for the financial period /year attributable to:</b>					
- Owners of the Company		(5,528)	(6,747)	(7,142)	(13,036)
- Non-controlling interests		(214)	(884)	(1,503)	(1,307)
		(5,742)	(7,631)	(8,645)	(14,343)
<b>Total comprehensive loss attributable to:</b>					
- Owners of the Company		(3,164)	(5,219)	(4,960)	(11,310)
- Non-controlling interests		(142)	(866)	(1,457)	(1,210)
		(3,306)	(6,085)	(6,417)	(12,520)
<b>Loss per share attributable to Owners of the Company</b>					
Basic & diluted (sen)	B13	(0.38)	(0.48)	(0.49)	(0.93)

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	As At 30.06.2023 RM'000 (unaudited)	As At 30.06.2022 RM'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		13,837	11,665
Intangible assets		4,536	6,775
Investment properties		18,582	18,657
Right-of-use assets		2,590	3,545
Land development rights		11,215	11,215
Investment in associates		-	-
Other investments		4,725	4,740
Trade receivables	B15	1,748	-
Total non-current assets		57,233	56,597
<b>Current assets</b>			
Inventories		1,427	618
Trade receivables	B15	13,332	15,113
Non-trade receivables, deposits and prepayments		3,587	4,185
Contract assets		-	223
Tax recoverable		-	42
Cash, bank balances and short-term fund		60,828	66,969
Total current assets		79,174	87,150
<b>Total assets</b>		<b>136,407</b>	<b>143,747</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		110,049	110,049
Reserves		16,515	21,475
<b>Equity attributable to Owners of the Company</b>		<b>126,564</b>	<b>131,524</b>
Non-controlling interests		1,460	541
Total equity		128,024	132,065
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Lease liabilities		1,843	2,636
<b>Current liabilities</b>			
Trade payables		553	896
Non-trade payables and accruals		3,598	5,588
Contract liabilities		1,081	399
Lease liabilities		944	1,091
Amount due to directors		3	916
Deferred tax liabilities		198	-
Taxation		163	156
Total current liabilities		6,540	9,046
<b>Total liabilities</b>		<b>8,383</b>	<b>11,682</b>
<b>Total equity and liabilities</b>		<b>136,407</b>	<b>143,747</b>
<b>Net asset per share (RM)</b>		<b>0.090</b>	<b>0.093</b>

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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 year	-	-	-	(7,142)	(7,142)	(1,503)	(8,645)
Other comprehensive income for the financial year							
- Exchange translation differences	-	2,182	-	-	2,182	46	2,228
Total comprehensive loss for the financial year	-	2,182	-	(7,142)	(4,960)	(1,457)	(6,417)
Dilution of interest in subsidiaries	-	-	-	-	-	2,376	2,376
As at 30 June 2023	110,049	3,577	44,798	(31,860)	126,564	1,460	128,024
As at 30 June 2021	101,402	(331)	44,798	(10,719)	135,150	889	136,039
Loss for the financial year	-	-	-	(13,036)	(13,036)	(1,307)	(14,343)
Other comprehensive income for the financial year							
- Exchange translation differences	-	1,726	-	-	1,726	97	1,823
Total comprehensive loss for the financial year	-	1,726	-	(13,036)	(11,310)	(1,210)	(12,520)
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 30 June 2022	110,049	1,395	44,798	(24,718)	131,524	541	132,065

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**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Year Ended	
	30.06.2023 RM'000 (unaudited)	30.06.2022 RM'000 (audited)
<b>Operating activities</b>		
Loss before tax	(8,062)	(13,729)
Adjustments for:		
Amortisation of intangible assets	2,539	923
Depreciation of investment properties	74	71
Depreciation of property, plant and equipment	2,872	680
Depreciation of right-of-use assets	1,005	875
Fair value gain on other investments	(2,655)	(2,041)
Fair value gain on film investment fund from investors	-	(935)
Fair value loss on film investments	-	1,008
Gain on derecognition of leases	(136)	(1)
Gain on disposal of right-of-use assets	(14)	-
Gain on dilution of interest in subsidiaries	(2,375)	-
Impairment loss on trade receivables	1,068	4
Impairment loss on other receivables	37	95
Impairment loss on intangible assets	-	3,903
Impairment loss on other investment	2,765	-
Income distribution from short-term fund	(615)	(497)
Interest expense	147	397
Interest income	(12)	(4)
Inventories written off	7	41
Loss on disposal of property, plant and equipment	-	1
Preferences shares dividend income	(7)	-
Property, plant and equipment written off	513	30
Provision of slow-moving inventories	-	16
Reversal of impairment loss on trade receivables	(5)	-
Unrealised loss on foreign exchange	345	1,127
Variable lease payments	-	(13)
Operating loss before working capital changes	(2,509)	(8,049)
Changes in working capital:		
Inventories	(816)	(230)
Payables and contract liabilities	(139)	(2,969)
Receivables and contract assets	(926)	3,642
Cash used in operating activities	(4,390)	(7,606)
Tax paid	(336)	(466)
Net cash used in operating activities	(4,726)	(8,072)

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

	Year Ended	
	30.06.2023 RM'000 (unaudited)	30.06.2022 RM'000 (audited)
<b>Investing activities</b>		
Acquisition of:		
- Subsidiary companies	-	(4,996)
- Additional equity interest in a subsidiary company	-	(100)
- Property, plant and equipment	(5,540)	(10,121)
- Investment properties	-	(9,913)
- Intangible assets	-	(1,322)
Proceeds from disposal of property, plant and equipment	2	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	615	497
Interest received	12	4
Fair value change from short-term investment	293	-
Placement of investments	2,377	(941)
Net cash used in investing activities	(2,167)	(26,891)
<b>Financing activities</b>		
Advance from directors	35	94
Proceed from issuance of ordinary shares pursuant to private placement	-	8,647
Interest paid	(147)	(397)
Repayment of bank overdraft	-	(6,215)
Repayment of lease liabilities	(1,113)	(703)
Net cash (used in)/generated from financing activities	(1,225)	1,426
<b>CASH AND CASH EQUIVALENTS</b>		
Net changes	(8,118)	(33,537)
Effects of changes in foreign exchange rate	1,977	270
Brought forward	66,969	100,236
Carried forward	60,828	66,969
Cash and cash equivalents at the end of the financial year comprise the following:		
Cash, bank balances and short-term fund	60,828	66,969

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**CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

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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 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 3	<i>Reference to the Conceptual Framework</i>
Amendments to MFRS 116	<i>Property, Plant and Equipment – Proceeds before Intended Use</i>
Amendments to MFRS 137	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Amendments to MFRSs	<i>Annual Improvements to MFRS Standards 2018-2020</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 4	<i>Extension of the Temporary Exemption from Applying MFRS 9</i>
Amendments to MFRS 17	<i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>
Amendments to MFRS 101	<i>Classification of Liabilities as Current or Non-current &amp; Disclosure of Accounting Policies</i>
Amendments to MFRS 108	<i>Definition of Accounting Estimates</i>
Amendments to MFRS 112	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction &amp; International Tax Reform – Pillar Two Model Rules</i>

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**A1. Basis of Preparation (Cont'd)**

**Amendments/improvements to MFRSs effective for financial periods beginning on or after 1 January 2024**

Amendments to MFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to MFRS 101	<i>Non-current Liabilities with Covenants</i>
Amendments to MFRS 107 and MFRS 7	<i>Supplier Finance Arrangements</i>

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

Amendments to MFRS 10 and MFRS 128	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
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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 year.

**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 year.

**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 year 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 year.

**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 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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**A8. Segmental Information (Cont'd)**

**Business segments (Cont'd)**

Year Ended 30.06.2023	Research and development, and assembling	Trading	Factoring	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	13,494	1,505	6,853	1,060	(457)	22,455
<b>Results:</b>						
Segment results	(7,828)	(1,845)	1,587	(11,884)	3,935	(16,035)
Other income	4,024	93	-	3,676	180	7,973
(Loss)/profit before tax	(3,804)	(1,752)	1,587	(8,208)	4,115	(8,062)
Segment assets	47,027	39,055	46,816	176,913	(173,404)	136,407
Segment liabilities	18,748	39,339	41,699	39,492	(130,895)	8,383

**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:

Year Ended 30.06.2023	Malaysia	Outside Malaysia	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	15,135	7,777	(457)	22,455
<b>Results:</b>				
Segment results	(14,168)	(5,802)	3,935	(16,035)
Other income	3,840	3,953	180	7,973
Loss before tax	(10,328)	(1,849)	4,115	(8,062)

**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 year.

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**A10. Events after the End of the Quarter**

There is no event after the end of the quarter.

**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 year.

**A12. Contingent Assets or Changes on Contingent Liabilities**

There were no contingent assets or contingent liabilities as at 30 June 2023.

**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 year.

**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.

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

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 30.06.2023 RM'000 (unaudited)	As at 30.06.2022 RM'000 (audited)
<b>Group</b>		
<b>Financial assets</b>		
<u>Level 1</u>		
Unit trust fund	-	15
Quoted shares	4,725	4,725
<u>Level 3</u>		
Other receivables – film investments	-	265
<b>Financial liabilities</b>		
<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 30 June 2023.

**A15. Capital Commitments**

Capital commitments as at 30 June 2023 are as follows:

	As at 30.06.2023 RMB	As at 30.06.2023 RM
<b>Approved and contracted for:</b>		
Registered share capital of Shenzhen Carbon Champagne Development Limited to be paid up by 31 December 2046	1,000,000	642,000

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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 Quarter Ended			CUMULATIVE Year Ended		
	30.06.2023 RM'000 (unaudited)	30.06.2022 RM'000 (unaudited)	Changes (%)	30.06.2023 RM'000 (unaudited)	30.06.2022 RM'000 (audited)	Changes (%)
Revenue	6,734	5,218	29	22,455	20,869	8
Gross profit	3,404	2,557	33	11,726	6,049	94
Gross profit margin (%)	50.5	49.0		52.2	29.0	
Loss before interest and tax	(5,190)	(7,460)	30	(7,915)	(13,332)	41
Loss before tax	(5,222)	(7,550)	31	(8,062)	(13,729)	41
Loss after tax	(5,742)	(7,631)	25	(8,645)	(14,343)	40
Loss after tax margin (%)	(85.3)	(146.2)		(38.5)	(68.7)	
Loss attributable to Owners of the Company	(5,528)	(6,747)	18	(7,142)	(13,036)	45

In the current quarter, the Group recorded increase in revenue amounting to RM1.52 million as compared to the preceding year quarter mainly due to higher income from factoring business amounting to RM1.97 million.

For the financial year ended 30 June 2023, the Group recorded revenue of RM22.46 million, improvement amounting to RM1.59 million as compared to revenue for the preceding financial year amounting to RM20.87 million. The improvement in revenue was mainly due to higher income from factoring business and technology and corporate advisory business amounting to RM5.71 million and RM2.80 million respectively. On the other hand, revenue from the research and development, and assembling businesses decreased by RM5.96 million due to volatile global and domestic economic conditions during the financial year.

The improvement in gross profit and gross profit margin for the current financial year in comparison to the preceding financial year was mainly due to higher gross profit derived from the factoring business and the technology and corporate advisory business.

For the 3-months ended 30 June 2023, the Group recorded lower loss after tax of RM5.74 million as compared to preceding year's quarter loss after tax of RM7.63 million due to higher gross profit on the back of higher income from the factoring business and the technology and corporate advisory business, higher fair value gain on other investments, higher tax expense and one-off impairment of intangible assets in the preceding year's quarter.

For the financial year ended 30 June 2023, the Group recorded loss after tax of RM8.65 million as compared to the preceding year's loss after tax of RM14.34 million. The lower loss after tax recorded was due to higher gross profit on the back of higher income from the factoring business and the technology and corporate advisory business, one-off gain on dilution of interest in subsidiaries, higher amortisation of intangible assets and higher depreciation of property, plant and equipment & right-of-use assets.

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

Group Results	Quarter Ended		Changes (%)
	30.06.2023 RM'000 (unaudited)	31.03.2023 RM'000 (unaudited)	
Revenue	6,734	4,707	43
Gross profit	3,404	2,172	57
Gross profit margin (%)	50.5	46.1	
Loss before interest and tax	(5,190)	(1,520)	(241)
Loss before tax	(5,222)	(1,566)	(233)
Loss after tax	(5,742)	(1,629)	(252)
Loss after tax margin (%)	(85.3)	(34.6)	
Loss attributable to Owners of the Company	(5,528)	(992)	(457)

The Group registered higher revenue and gross profit of RM6.73 million and RM3.40 million respectively for the current quarter as compared to the immediate preceding quarter's revenue and gross profit of RM4.71 million and RM2.17 million respectively. The increase in revenue and gross profit was mainly attributed to higher revenue from the factoring business, research and development & assembling and technology & corporate advisory.

The Group recorded loss after tax of RM5.74 million as compared to the immediate preceding quarter's loss after tax of RM1.63 million due to impairment on other investment, impairment loss on trade and other receivables, higher depreciation of property, plant and equipment and higher tax expense in the current quarter.

**B3. Commentary on Prospects**

The hawkish approach by the Central Banks in attempt to tame the rising inflation had devastating impact contributing to rising funding cost and operational cost. While the threat from the Covid pandemic is reducing to a manageable level worldwide and in Malaysia, other geopolitical threats have arisen, most notably the continuing Russia-Ukraine conflict, and US-China trade war have impacted on supply chains worldwide creating shortages in goods. Amidst these challenging environments, there is a glimmer of hope as the inflation showing signs of moderating and hope for economic stabilisation.

Mlabs continues to focus on growing the factoring business and technology and corporate advisory business as main revenue drivers for the Group. As Malaysia continues its push for economic recovery and growth, our team is continuously engaging with new prospective customers for new opportunities. Both units are working in tandem to secure new MSMEs customers who are approved government contractors which may need financial support, technology related products and services.

We foresee challenges for our trading, digital marketing, and software platform digitalisation solutions businesses as entities and corporations are very selective in spending during this economic situation. Nevertheless, respective business heads have been managing the situation and obtained satisfactory results.

As we draw a close to the financial year ending 30 June 2023, the Directors are reevaluating the macroeconomic situation and formulate a prudent business plan with the respective business heads to navigate the current economic situation to ensure sustainable growth of the Group for the coming financial year.

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**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**

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter Ended		Year Ended	
	30.06.2023 RM'000	30.06.2022 RM'000	30.06.2023 RM'000	30.06.2022 RM'000
Current income tax				
- Current period/year	292	31	292	31
- Under provision in prior years	31	-	94	533
- Real Property Gains Tax (RPGT)	-	50	-	50
Deferred tax				
- Current period/year	195	-	195	-
- Under provision in prior years	2	-	2	-
	520	81	583	614

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial quarter and year.

**B8. Status of Corporate Proposals**

On 28 June 2023, the Company announced that the shareholders had approved the proposed diversification of the principal activities of the Company and its subsidiaries to include factoring, development financing, leasing and building credit business.

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**B9. Utilisation of Proceeds Raised from Corporate Proposals**

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

<b>Purpose</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Balance RM'000</b>	<b>Intended Timeframe for Utilisation</b>
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 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>44,961</u>	<u>23,000</u>	

On 14 September 2021, the Company raised total proceeds of RM8.7 million from the private placement by issuance of 241,568,000 new ordinary shares. On 5 April 2023, the Company announced the variation of utilisation of proceeds raised from the private placement as follows:

<b>Purpose</b>	<b>Proposed Utilisation RM'000</b>	<b>Variation RM'000</b>	<b>Revised Utilisation of Proceeds RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Balance RM'000</b>	<b>Intended Timeframe for Utilisation</b>
Development of animated series	8,538	(8,538)	-	-	-	Within 36 months
Capital for loan disbursement in relation to factoring business	-	8,538	8,538	8,538	-	Within 12 months
Expenses in relation to the proposals	158	-	-	158	-	Immediate
	<u>8,696</u>	<u>-</u>	<u>8,538</u>	<u>8,696</u>	<u>-</u>	

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**B10. Borrowings and Debts Securities**

There were no borrowings or debt securities as at 30 June 2023.

**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 and year.

**B13. Loss per share**

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

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter Ended		Year Ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Loss attributable to Owners of the Company (RM'000)	(5,528)	(6,747)	(7,142)	(13,036)
Weighted average number of ordinary shares in issue ('000)	1,449,409	1,399,772	1,449,409	1,399,772
Basic & diluted loss per share (sen)	(0.38)	(0.48)	(0.49)	(0.93)

(b) Diluted

The Group has no potential dilutive ordinary share outstanding as at 30 June 2023.



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**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 following items:

	INDIVIDUAL QUARTER		CUMULATIVE	
	Quarter Ended		Year Ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Amortisation of intangible assets	640	781	2,539	923
Depreciation of investment properties	(52)	(31)	74	71
Depreciation of property, plant and equipment	1,443	201	2,872	680
Depreciation of right-of-use assets	211	453	1,005	875
Fair value gain on other investments	(566)	(1,182)	(2,655)	(2,041)
Gain on derecognition of leases	-	(1)	(136)	(1)
Loss/(Gain) on disposal of right-of-use assets	21	-	(14)	-
Loss/(Gain) on dilution of interest in subsidiaries	296	-	(2,375)	-
Impairment loss of trade receivables	1,068	4	1,068	4
Impairment loss of other receivables	37	95	37	95
Impairment loss of intangible assets	-	3,903	-	3,903
Impairment loss of other investments	2,765	-	2,765	-
Income distribution from short-term fund	(336)	(15)	(615)	(497)
Interest expense	32	90	147	397
Interest income	(7)	(1)	(12)	(4)
Inventories written off	1	4	7	41
Loss on disposal of property, plant and equipment	-	1	-	1
Preferences shares dividend income	-	-	(7)	-
Property, plant and equipment written off	61	30	513	30
Provision of slow-moving inventories	-	16	-	16
Realised (gain)/loss on foreign exchange	(81)	7	24	-
Reversal of impairment loss on trade receivables	(1)	-	(5)	-
Unrealised loss on foreign exchange	381	1,338	345	1,127

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

**B15. Trade Receivables**

	As at 30.06.2023 RM'000 (unaudited)	As at 30.06.2022 RM'000 (audited)
Trade receivables		
Non-current assets	1,748	-
Current assets	16,667	17,377
Total	18,415	17,377
Less: Impairment losses	(3,335)	(2,264)
	15,080	15,113

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**B15. Trade Receivables (Cont'd)**

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

	As at 30.06.2023 RM'000 (unaudited)	As at 30.06.2022 RM'000 (audited)
Neither past due nor impaired	12,375	4,314
Past due but not impaired:		
Less than 3 months	2,705	10,303
3 to 6 months	-	111
More than 6 months	-	385
Past due and impaired	3,335	2,264
Trade receivables (gross)	18,415	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.