

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

The Board of Directors of Mlabs Systems Berhad is pleased to announce the following unaudited consolidated financial statements for the financial year ended 30 June 2024 which should be read in conjunction with the audited consolidated financial statements for the financial year ended (“FYE”) 30 June 2023 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	
		30.06.2024 RM'000 (unaudited)	30.06.2023 RM'000 (unaudited)	30.06.2024 RM'000 (unaudited)	30.06.2023 RM'000 (audited)
Revenue	A8	7,704	6,772	27,120	22,493
Cost of sales		(5,589)	(3,071)	(16,831)	(10,470)
Gross profit		2,115	3,701	10,289	12,023
Other income		533	298	2,019	7,303
Administrative and operating expenses		(3,948)	(4,892)	(17,873)	(18,569)
Selling and distribution expenses		(1,075)	(354)	(4,623)	(1,559)
Other operating expenses		(4,355)	(4,066)	(6,899)	(7,236)
Loss from operations		(6,730)	(5,313)	(17,087)	(8,038)
Finance costs		(76)	(32)	(304)	(147)
Loss before tax	B14	(6,806)	(5,345)	(17,391)	(8,185)
Taxation	B7	114	(545)	(146)	(608)
Loss for the financial period/year		(6,692)	(5,890)	(17,537)	(8,793)
Other comprehensive (loss)/ income:					
Item that will be subsequently reclassified to profit or loss					
Exchange differences on translating foreign operations		(230)	2,466	256	2,258
Other comprehensive (loss)/income for the financial period/year		(230)	2,466	256	2,258
Total comprehensive loss for the financial period/year		(6,922)	(3,424)	(17,281)	(6,535)
Loss for the financial period/year attributable to:					
- Owners of the Company		(5,206)	(5,672)	(14,102)	(7,286)
- Non-controlling interests		(1,486)	(218)	(3,435)	(1,507)
		(6,922)	(5,890)	(17,537)	(8,793)
Total comprehensive loss attributable to:					
- Owners of the Company		(5,452)	(3,293)	(13,854)	(5,089)
- Non-controlling interests		(1,470)	(131)	(3,427)	(1,446)
		(6,922)	(3,424)	(17,281)	(6,535)
Loss per share attributable to Owners of the Company					
Basic & diluted (sen)	B13	(0.36)	(0.39)	(0.97)	(0.50)

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As At 30.06.2024 RM'000 (unaudited)	As At 30.06.2023 RM'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		9,143	13,837
Right-of-use assets		1,384	2,590
Land development rights		11,215	11,215
Investment properties		18,426	18,424
Intangible assets		-	4,536
Other investments		5,325	4,725
Finance lease receivables		196	1,387
Trade receivables		174	239
Total non-current assets		<u>45,863</u>	<u>56,953</u>
Current assets			
Inventories		1,891	1,501
Finance lease receivables		1,213	959
Trade receivables	B15	25,068	11,541
Other receivables, deposits and prepayments		10,036	3,452
Contract assets		26	-
Tax recoverable		33	-
Cash, bank balances and short-term fund		49,921	60,883
Total current assets		<u>88,188</u>	<u>78,336</u>
Total assets		<u>134,051</u>	<u>135,289</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital		110,049	110,049
Reserves		2,531	16,385
Equity attributable to Owners of the Company		<u>112,580</u>	<u>126,434</u>
Non-controlling interests		(1,956)	1,471
Total equity		<u>110,624</u>	<u>127,905</u>

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	Note	As At 30.06.2024 RM'000 (unaudited)	As At 30.06.2023 RM'000 (audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		1,033	1,843
Deferred tax liabilities		61	198
Total non-current liabilities		<u>1,094</u>	<u>2,041</u>
Current liabilities			
Trade payables		6,446	698
Other payables and accruals		15,161	3,416
Contract liabilities		170	71
Lease liabilities		455	944
Amount due to directors		2	3
Provision of taxation		99	211
Total current liabilities		<u>22,333</u>	<u>5,343</u>
Total liabilities		<u>23,427</u>	<u>7,384</u>
Total equity and liabilities		<u>134,051</u>	<u>135,289</u>
Net asset per share (RM)		<u>0.076</u>	<u>0.088</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/Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total RM'000
As at 30 June 2023	110,049	3,592	44,798	(32,005)	126,434	1,471	127,905
Loss for the financial year	-	-	-	(14,102)	(14,102)	(3,435)	(17,537)
Other comprehensive income for the financial year							
- Exchange translation differences	-	248	-	-	248	8	256
Total comprehensive loss for the financial year	-	248	-	(14,102)	(13,854)	(3,427)	(17,281)
Issuance of ordinary shares pursuant to exercise of Warrants C	*	-	-	-	*	-	*
Transfer of reserves upon expiry of Warrants C	-	-	(44,798)	44,798	-	-	-
As at 30 June 2024	110,049	3,840	-	(1,309)	112,580	(1,956)	110,624
As at 30 June 2022	110,049	1,396	44,798	(24,719)	131,524	541	132,065
Loss for the financial year	-	-	-	(7,286)	(7,286)	(1,507)	(8,793)
Other comprehensive income for the financial year							
- Exchange translation differences	-	2,196	-	-	2,196	61	2,257
Total comprehensive loss for the financial year	-	2,196	-	(7,286)	(5,090)	(1,446)	(6,536)
Dilution of interest in subsidiaries	-	-	-	-	-	2,376	2,376
As at 30 June 2023	110,049	3,592	44,798	(32,005)	126,434	1,471	127,905

* On 12 December 2023, the Company increased its issued and paid up ordinary share capital from RM110,048,856.00 to RM110,048,887.50 by way of issuance of 350 new ordinary shares through the exercise of the warrants at an issue price of RM0.09 per share which amounted to RM31.50.

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**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended	
	30.06.2024 RM'000 (unaudited)	30.06.2023 RM'000 (audited)
Operating activities		
Loss before tax	(17,391)	(8,185)
Adjustments for:		
Amortisation of intangible assets	2,652	2,539
Depreciation of investment properties	110	74
Depreciation of property, plant and equipment	3,984	2,875
Depreciation of right-of-use assets	752	1,005
Fair value loss on quoted shares	2,100	-
Gain on derecognition of leases	(95)	(151)
Gain on dilution of interest in subsidiaries	-	(2,375)
Impairment loss on intangible assets	1,913	-
Impairment loss on investment properties	-	159
Impairment loss on other investment	-	2,500
Impairment loss on other receivables	163	302
Impairment loss on trade receivables	1,680	1,068
Income distribution from short-term fund	(22)	(41)
Interest expense	304	147
Interest income	(457)	(586)
Inventories written off	-	7
Loss on disposal of property, plant and equipment	554	-
Preferences shares dividend income	-	(7)
Property, plant and equipment written off	101	507
Reversal of impairment on other receivables	-	(1)
Reversal of impairment on trade receivables	(257)	(4)
Unrealised (gain)/loss on foreign exchange	(51)	345
Operating (loss)/gain before working capital changes	(3,960)	178
Changes in working capital:		
Inventories	(389)	(889)
Payables and contract liabilities	17,810	(1,160)
Receivables and contract assets	(21,865)	162
Cash used in operating activities	(8,404)	(1,709)
Tax paid	(427)	(313)
Net cash used in operating activities	(8,831)	(2,022)
Investing activities		
Acquisition of:		
- Property, plant and equipment	(409)	(5,534)
- Investment properties	(113)	-
Income received from short-term fund	22	41
Interest received	457	586
Net cash outflow from dilution of interest in subsidiaries (Placement)/withdrawal of investments	(1,984)	15
Proceeds from disposal of property, plant and equipment	446	2
Proceeds from disposal of right-of-use assets	-	270
Net cash used in investing activities	(1,581)	(4,816)

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	30.06.2024	Year Ended	30.06.2023
	RM'000		RM'000
	(unaudited)		(audited)
Financing activities			
Advance from directors	(1)		35
Interest paid	(304)		(147)
Payment of lease liabilities	(755)		(1,113)
Proceeds from issuance of shares pursuant to exercise of Warrants C	*		-
Net cash used in financing activities	<u>(1,060)</u>		<u>(1,225)</u>
CASH AND CASH EQUIVALENTS			
Net changes	(11,472)		(8,063)
Effects of changes in foreign exchange rate	510		1,977
Brought forward	<u>60,883</u>		<u>66,969</u>
Carried forward	<u><u>49,921</u></u>		<u><u>60,883</u></u>
Cash and cash equivalents at the end of the financial year comprise the following:			
Cash, bank balances and short-term fund	<u><u>49,921</u></u>		<u><u>60,883</u></u>

* Denotes amount below RM1,000.

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 2023 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 2023.

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 2023 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 2023.

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

New MFRS

MFRS 17	<i>Insurance Contracts</i>
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Amendments/Improvements to MFRSs

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 & 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 & International Tax Reform – Pillar Two Model Rules</i>

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

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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A1. Basis of Preparation (Cont'd)

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

New MFRSs

MFRS 18	<i>Presentation and Disclosure in Financial Statements</i>
MFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i>

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 effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	<i>Lack of Exchangeability</i>
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Amendments/improvements to MFRSs effective for financial periods beginning on or after 1 January 2026

Amendments to MFRS 9 and MFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i>
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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 2023 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.

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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A5. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial year, which may have a material effect in the current financial quarter and year results.

A6. Issues, Repurchases, and Repayments of Debt and Equity Securities

On 12 December 2023, the Company issued 350 new ordinary shares through the exercise of Warrants C at an issue price of RM0.09 per share which amounted to RM31.50.

A7. Dividends Paid

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

A8. Segmental Information

Segmental information is presented in respect of the Group's business and geographical segments. The primary format of business segments 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:

ICT and fintech	: Research and development, and trading of ICT and fintech related products and services.
Trading	: Trading of alcohol products, kitchen equipment and related products, distribution of household appliances and computer hardware, software and peripherals.
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, event management services and related activities.

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A8. Segmental Information (Cont'd)

Business segments (Cont'd)

Year Ended 30.06.2024	ICT and fintech	Trading	Factoring	Others	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	15,378	5,411	7,342	1,330	(2,341)	27,120
Results:						
Segment results	(10,229)	(2,495)	(59)	(7,120)	493	(19,410)
Other income	1,295	249	52	855	(432)	2,019
Loss before tax	(8,934)	(2,246)	(7)	(6,265)	61	(17,391)
Segment assets	48,559	54,101	38,414	173,968	(180,991)	134,051
Segment liabilities	29,181	56,683	33,400	42,984	(138,821)	23,427

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 30.06.2024	Malaysia	Outside Malaysia	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue	26,483	2,978	(2,341)	27,120
Results:				
Segment results	(11,938)	(7,965)	493	(19,410)
Other income	1,164	1,287	(432)	2,019
Loss before tax	(10,774)	(6,678)	61	(17,391)

A9. Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment during the current financial quarter.

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A10. Events after the End of the Year

On 1 August 2024, the Company completed the Rights Issue with Warrants exercise with the issuance of 216,598,817 new ordinary shares at an issue price of RM0.16 each, together with 86,639,526 free detachable warrants (“Warrants D”).

A11. Changes in Composition of the Group

There were no 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 2024.

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 30.06.2024 RM'000 (unaudited)	As at 30.06.2023 RM'000 (audited)
Group		
Financial assets		
<u>Level 1</u>		
Quoted shares	5,325	4,725

The Group does not have any financial liabilities carried at fair value nor any financial instruments classified as Level 2 or Level 3 as at 30 June 2024.

A15. Capital Commitments

Capital commitments as at 30 June 2024 are as follows:

	As at 30.06.2024 RMB	As at 30.06.2024 RM
Approved and contracted for:		
Registered share capital of Shenzhen Carbon Champagne Development Limited to be paid up by 31 December 2046	1,000,000	648,500

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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 Ended		Changes	Year Ended		Changes
	30.06.2024	30.06.2023		30.06.2024	30.06.2023	
	RM'000 (unaudited)	RM'000 (unaudited)	(%)	RM'000 (unaudited)	RM'000 (audited)	(%)
Revenue	7,704	6,772	14	27,120	22,493	21
Gross profit	2,115	3,701	(43)	10,289	12,023	(14)
Gross profit margin (%)	27.5	54.7		37.9	53.5	
Loss before interest and tax	(6,730)	(5,313)	(27)	(17,087)	(8,038)	(113)
Loss before tax	(6,806)	(5,345)	(27)	(17,391)	(8,185)	(112)
Loss after tax	(6,692)	(5,890)	(14)	(17,537)	(8,793)	(99)
Loss after tax margin (%)	(86.9)	(87.0)		(64.7)	(39.1)	
Loss attributable to Owners of the Company	(5,206)	(5,672)	8	(14,102)	(7,286)	(94)

In the current quarter, the Group recorded increase in revenue amounting to RM0.93 million as compared to the preceding year quarter mainly due to increase in revenue from trading business amounting to RM1.87 million which mitigated decrease in revenue from factoring business of RM1.13 million.

For the financial year ended 30 June 2024, the Group recorded revenue of RM27.12 million, an improvement amounting to RM4.63 million as compared to the preceding year ended 30 June 2023 amounting to RM22.49 million. The improvement in revenue was mainly due to increase of income from trading business amounting to RM3.24 million, increase in revenue from overall ICT and fintech business amounting to RM0.93 million and increase in revenue from factoring business amounting to RM0.17 million. Under the ICT and fintech business, the revenue contribution from Taiwan declined by RM4.57 million as a result of downsizing and streamlining of its operations.

For the current quarter, gross profit and gross profit margin has reduced as compared to the preceding year quarter resulting from lower gross profit mainly derived from the ICT business amounting to RM2.84 million.

In the current quarter, the Group recorded loss after tax of RM6.69 million as compared to preceding year's quarter loss after tax of RM5.89 million mainly due to one-off impairment loss of other investment amounting RM2.50 million in the preceding financial year quarter and one-off impairment loss of intangible assets amounting to RM1.91 million and impairment of trade and other receivables amounting RM1.84 million in the current financial quarter.

For the year ended 30 June 2024, the Group recorded loss after tax of RM17.54 million as compared to the preceding year ended 30 June 2023 loss after tax of RM8.79 million. The higher loss after tax recorded for the year ended 30 June 2024 was mainly due to one-off fair value loss on quoted shares amounting to RM2.10 million and impairment of trade and other receivables amounting to RM1.84 million and impairment loss of intangible assets amounting to RM1.91 million.

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

Group Results	Quarter Ended		Changes (%)
	30.06.2024 RM'000 (unaudited)	31.03.2024 RM'000 (unaudited)	
Revenue	7,704	5,634	37
Gross profit	2,115	1,888	12
Gross profit margin (%)	27.5	33.5	
Loss before interest and tax	(6,730)	(4,703)	(43)
Loss before tax	(6,806)	(4,780)	(42)
Loss after tax	(6,692)	(4,859)	(38)
Loss after tax margin (%)	(86.9)	(86.2)	
Loss attributable to Owners of the Company	(5,206)	(3,891)	(34)

The Group registered higher revenue and gross profit of RM7.70 million and RM2.11 million respectively for the current quarter as compared to the immediate preceding quarter's revenue and gross profit of RM5.63 million and RM1.89 million respectively. The increased in revenue was mainly attributed to increase of revenue from the trading business by RM1.18 million and ICT business by RM0.94 million in the current quarter.

The Group recorded loss after tax of RM6.69 million as compared to the immediate preceding quarter's loss after tax of RM4.86 million mainly due to downsizing of Taiwan's ICT and fintech operations which resulted a loss after tax amounting to RM6.30 million in the current financial year.

B3. Commentary on Prospects

The Malaysian economy advanced by 5.9% in the second quarter of 2024 driven by stronger domestic demand and further expansion in exports. However, with higher import growth underscores a rising dependency on foreign goods, which has implications for the country's currency and business margins. The weaker ringgit has led to higher costs of goods sold (COGS), particularly underpinning our ICT and trading business segment causing squeezed profit margins during the quarter.

Nevertheless, our ICT and Fintech business segment is actively searching for new products/solutions revenue stream to mitigate such impact. This business segment is actively exploring AI-based solutions aligning with the government's push towards AI adoption in various industries and aiming to become an AI hub within the region. This presents an opportunity to us as more businesses are pivoting towards AI solutions to boost efficiency and productivity, allowing human resources to focus on higher-level, strategic work requiring creativity, critical thinking, and problem-solving skills.

During the quarter, our trading segment has been significantly bolstered by sales of digital signage. We have successfully secured several projects for digital signage replacement and upgrades, highlighting our strengthened collaboration with LG Malaysia. Additionally, we have launched our corporate marketplace and e-commerce website, with ongoing enhancements to better align with our target market. These developments mark important steps toward achieving key milestones in our business strategy.

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B3. Commentary on Prospects (Cont'd)

Our financial services segment remains focused on expanding its client base within the e-Perolehan (eP) ecosystem. To support this growth, we have just recently concluded the Rights Issue exercise that is to raise additional working capital, which will drive our expansion efforts and enhance our position within the eP ecosystem.

As we move forward, our Group is dedicated to a strategic and meticulous approach in our decision-making processes. Our commitment to sustainability drives us to embrace innovative practices that address the evolving needs of digitalisation. We are focused on enhancing operational efficiency and productivity while actively managing the risks associated with currency exchange rate fluctuations to minimize potential negative impacts.

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	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
Current income tax				
- Current period	22	348	224	348
- Under provision in prior year	-	-	58	63
Deferred tax				
- Current period/year	(137)	195	(137)	195
- Under provision in prior year	1	2	1	2
	<u>(114)</u>	<u>545</u>	<u>146</u>	<u>608</u>

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial quarter and year.

B8. Status of Corporate Proposals

On 1 August 2024, the Company completed the Rights Issue with Warrants exercise with the issuance of 216,598,817 new ordinary shares at an issue price of RM0.16 each, together with 86,639,526 free detachable warrants ("Warrants D").

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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.

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Intended Timeframe for Utilisation
Remote meeting and videotelephony enablers	23,000	482	22,518	Within 48 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
	67,961	45,443	22,518	

B10. Borrowings and Debts Securities

There were no borrowings or debt securities as at 30 June 2024.

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	
	30.06.2024 RM'000 (unaudited)	30.06.2023 RM'000 (unaudited)	30.06.2024 RM'000 (unaudited)	30.06.2023 RM'000 (audited)
Loss attributable to Owners of the Company (RM'000)	(5,206)	(5,672)	(14,102)	(7,286)
Weighted average number of ordinary shares in issue ('000)	1,449,409	1,449,409	1,449,409	1,449,409
Basic & diluted loss per share (sen)	(0.36)	(0.39)	(0.97)	(0.50)

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B13. Loss per share (Cont'd)

(b) Diluted

The Group has no potential dilutive ordinary share outstanding as at 30 June 2024.

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	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Amortisation of intangible assets	668	640	2,652	2,539
Depreciation of investment properties	(25)	(52)	110	74
Depreciation of property, plant and equipment	936	1,446	3,984	2,875
Depreciation of right-of-use assets	114	211	752	1,005
Fair value gain on other investments	(2)	(498)	(719)	(2,362)
Fair value loss on quoted shares	375	225	2,100	-
Gain on derecognition of leases	6	(151)	(95)	(151)
Gain on dilution of interest in subsidiaries	-	-	-	(2,375)
Impairment loss of intangible assets	1,913	-	1,913	-
Impairment loss of investment properties	-	159	-	159
Impairment loss of other investments	-	2,500	-	2,500
Impairment loss of other receivables	163	265	163	302
Impairment loss of trade receivables	1,680	1,068	1,680	1,068
Income distribution from short-term fund	-	-	(22)	(41)
Interest expense	76	32	304	147
Interest income	(112)	(7)	(457)	(586)
Inventories written off	-	1	-	7
Loss on disposal of property, plant and equipment	25	-	554	-
Preferences shares dividend income	-	-	-	(7)
Property, plant and equipment written off	101	55	101	507
Realised loss on foreign exchange	-	(81)	65	24
Reversal of impairment on other receivables	-	(1)	-	(1)
Reversal of impairment on trade receivables	(104)	-	(257)	(4)
Unrealised (gain)/loss on foreign exchange	(130)	382	(51)	346

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

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B15. Trade Receivables

	As at 30.06.2024 RM'000 (unaudited)	As at 30.06.2023 RM'000 (audited)
Trade receivables		
Non-current assets	174	239
Current assets	29,665	14,869
Total	29,839	15,108
Less: Impairment losses	(4,597)	(3,328)
	25,242	11,780

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

	As at 30.06.2024 RM'000 (unaudited)	As at 30.06.2023 RM'000 (audited)
Neither past due nor impaired	19,607	10,015
Past due but not impaired:		
Less than 3 months	3,163	1,107
3 to 6 months	961	658
More than 6 months	1,511	-
Past due and impaired	4,597	3,328
Trade receivables (gross)	29,839	15,108

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.