



(Registration No. 200201024235 (591898-H))

QUARTERLY REPORT

Condensed Consolidated Statement of Comprehensive Income

For the first quarter ended 30 June 2022

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 30 Jun 2022 RM'000	Unaudited 30 Jun 2021 RM'000	Unaudited 30 Jun 2022 RM'000	Unaudited 30 Jun 2021 RM'000
Revenue	8,362	7,318	8,362	7,318
Material cost	(801)	(761)	(801)	(761)
Depreciation and amortization	(1,954)	(1,980)	(1,954)	(1,980)
Employee benefits expenses	(7,468)	(7,229)	(7,468)	(7,229)
Other operating expenses	(464)	(573)	(464)	(573)
Interest expenses	(120)	(87)	(120)	(87)
Interest income	31	51	31	51
Other income	414	73	414	73
Share of results of associates	14	161	14	161
Loss before taxation	(1,986)	(3,027)	(1,986)	(3,027)
Tax expense	(7)	-	(7)	-
Net Loss for the period	(1,993)	(3,027)	(1,993)	(3,027)
Other comprehensive income:				
Exchange differences on translating foreign operations	225	157	225	157
Total Comprehensive Income	(1,768)	(2,870)	(1,768)	(2,870)
Net Loss attributable to:				
Equity Holders of Company	(1,554)	(2,952)	(1,554)	(2,952)
Non-controlling interest	(439)	(74)	(439)	(74)
	(1,993)	(3,026)	(1,993)	(3,026)
Total comprehensive income attributable to:				
Equity Holders of Company	(1,306)	(2,794)	(1,306)	(2,794)
Non-controlling interest	(462)	(76)	(462)	(76)
	(1,768)	(2,870)	(1,768)	(2,870)
Loss per ordinary share (sen):				
- Basic	(0.13)	(0.25)	(0.13)	(0.25)
- Diluted	-	-	-	-

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Financial Position

Group	Unaudited 30 Jun 2022 RM'000	Audited 31 Mar 2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	700	798
Right-of-Use assets	3,281	3,075
Intangible assets	33,441	32,311
Goodwill on consolidation	263	258
Investment in associates	639	613
	<hr/>	<hr/>
	38,324	37,055
Current assets		
Contract assets	10,998	10,715
Trade and other receivables	5,702	10,527
Tax recoverable	3	3
Cash and cash equivalents	16,307	14,069
	<hr/>	<hr/>
	33,010	35,314
	<hr/>	<hr/>
TOTAL ASSETS	71,334	72,369
EQUITY & LIABILITIES		
Equity and reserves		
Shares Capital	114,912	114,840
Reserves	(66,983)	(65,677)
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	47,929	49,163
Non-Controlling Interest	(1,589)	(1,127)
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Total Equity	46,340	48,036
Non-current liabilities		
Lease liabilities	1,960	1,935
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	1,960	1,935
Current liabilities		
Contract liabilities	4,551	5,146
Trade and other payables	9,750	8,744
Borrowings	7,275	7,139
Lease liabilities	1,458	1,370
	<hr/>	<hr/>
	23,034	22,398
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Total liabilities	24,994	24,333
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TOTAL EQUITY AND LIABILITIES	71,334	72,369
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Net assets per share (RM)	0.0409	0.0421
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The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Changes in Equity
For the period ended 30 June 2022
(Unaudited)

Group	Share Capital	Preference Share	Equity Compensation Reserves	Translation Reserves	Accumulated Loss	Total	Non-Controlling Interest	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 Apr 2022	104,957	9,883	1,613	10,672	(77,962)	49,163	(1,127)	48,036
Loss for the period	-	-	-	-	(1,554)	(1,554)	(439)	(1,993)
Foreign Currency Translation	-	-	-	248	-	248	(23)	225
Issuance of ordinary shares pursuant to conversion of ICPS	95	-	-	-	-	95	-	95
Conversion of ICPS to ordinary shares	-	(24)	-	-	-	(24)	-	(24)
At 30 Jun 2022	105,052	9,860	1,613	10,920	(79,516)	47,929	(1,589)	46,340
At 1 Apr 2021	102,913	10,149	2,097	10,268	(57,777)	67,650	(395)	67,254
Loss for the period	-	-	-	-	(2,952)	(2,952)	(74)	(3,026)
Foreign Currency Translation	-	-	-	158	-	158	(1)	157
Issuance of ordinary shares pursuant to conversion of ICPS	961	-	-	-	-	-	-	-
Conversion of ICPS to ordinary shares	-	(240)	-	-	-	10,255	-	10,255
Exercise of ESOS	122	-	(56)	-	-	66	-	66
At 30 Jun 2021	103,996	9,909	2,041	10,426	(60,729)	65,643	(471)	65,172

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Cash Flow Statements

For the period ended 30 June 2022

(Unaudited)

Group	Year To Date ended	Year To Date Ended
	30 Jun 2022 RM'000	30 Jun 2021 RM'000
(Loss)/Profit for the period	(1,986)	(3,027)
Adjustments for :-		
Non-cash items	1,954	1,980
Non-operating items	(378)	(55)
Operating loss before working capital changes	(410)	(1,102)
Net change in current assets	3,947	(19)
Net change in current liabilities	1,008	(495)
Interest paid	(41)	(76)
Tax paid	(7)	-
Net cash (used)/generated in operating activities	4,497	(1,692)
Investing activities		
Purchase of property, plant and equipment	(33)	(48)
Interest received	31	51
Addition of software development expenditure, net of grant	(1,956)	(1,976)
Net cash used in investing activities	(1,958)	(1,973)
Financing activities		
Proceeds from conversion of ICPS	71	721
Proceeds from exercise of ESOS	-	66
Payment of lease liabilities	(457)	(495)
Proceeds/(Repayment) of short term borrowing, net	-	-
Net cash generated/(use) in financing activities	(386)	292
Net changes in cash and cash equivalents	2,153	(3,373)
Cash and cash equivalents at beginning of financial year	14,069	20,096
Effect of exchange rate changes on opening balance	85	18
Cash and cash equivalents at end of the financial period	16,307	16,741

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.



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Part A – Explanatory Notes Pursuant to FRS 134

A1. Basis of Preparation.

The interim financial report is unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market. The interim financial report should also be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2022.

A2. Adoption of Revised Financial Reporting

The significant accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those of the audited financial statements for the year ended 31 March 2022.

The following Standards were issued but not yet effective and have not been adopted by the Group:

<i>MFRSs and/ or IC Interpretations (Including the Consequential Amendments)</i>	<i>Effective for financial periods beginning on or after</i>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFS 101 Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108 Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Deferred Income Taxes	1 January 2023

The adoption of the above accounting standards and/ or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A3. Auditors’ Report on Preceding Annual Financial Statements

The audit report of the preceding annual financial statements was not subject to any qualification.

A4. Comments about Seasonal or Cyclical Factors

The business of the Group is not affected by any significant seasonal or cyclical factors.

A5. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items during the quarter.

A6. Changes in Estimates

There are no changes in the estimates of amount reported that have material effect in the current quarter.

A7. Debt and Equity Securities

Other than as disclosed in note B10, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

A8. Dividend Paid

No dividend was paid during the quarter under review.



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A9. Capital Commitments

No material capital commitments were approved and contracted for as at 30th June 2022.

A10. Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment.

A11. Subsequent Events

There were no material events between 1st July 2022 and 23rd August 2022 that would be required to be reflected in the financial statement for the quarter ended 30th June 2022.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A13. Changes in Contingent Liabilities

Guarantees given by the Company for credit facilities granted to subsidiaries

30 Jun 2022
RM'000

7,275

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A14. Significant Related Party Transaction

There were no significant related party transactions which would have material impact on the financial position and business of the Group during the current quarter under review.



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A15. Segmental Information

<i>RM'000</i>	<i>Malaysia</i>	<i>Overseas</i>	<i>Elimination</i>	<i>Consolidated</i>
<i>2022</i>				
Revenue				
- External	665	7,697	-	8,362
- Internal	-	1,888	(1,888)	-
Total Revenue	665	9,585	(1,888)	8,362
Result				
- Segment Result	(314)	(1,597)	-	(1,912)
- Share of associate result				14
- Interest income				31
- Interest expense				(120)
Loss before tax				(1,986)
Tax				(7)
Loss after tax				(1,993)
Segment assets	29,041	69,763	(27,471)	71,334
Segment liabilities	1,222	23,773	-	24,994
Other information				
- Capital Expenditure	-	1,989	-	1,989
- Depreciation and amortization	65	1,889	-	1,954

<i>RM'000</i>	<i>Malaysia</i>	<i>Overseas</i>	<i>Elimination</i>	<i>Consolidated</i>
<i>2021</i>				
Revenue				
- External	1,365	5,953	-	7,318
- Internal	-	-	-	-
Total Revenue	1,365	5,953	-	7,318
Result				
- Segment Result	429	(3,581)	-	(3,153)
- Share of associate result				162
- Interest income				51
- Interest expense				(87)
Profit/(loss) before tax				(3,027)
Tax				-
Profit/(loss) after tax				(3,027)
Segment assets	48,492	64,433	(29,674)	83,250
Segment liabilities	2,035	16,044	-	18,079
Other information				
- Capital Expenditure	10	2,013	-	2,023
- Depreciation and amortization	65	1,915	-	1,980



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Part B – Additional Information required by Bursa Malaysia Securities Berhad’s Listing Requirements

B1. Performance Review

Current Quarter vs Previous Year Corresponding Quarter

For the current quarter under review, the Group recorded revenue of approximately RM8.4 million, which was approximately 14% higher than the revenue of approximately RM7.3 million for the preceding year’s corresponding quarter period ended 30 June 2020. The increase was due to higher revenue recognition from the order book as a result of higher delivery of project milestone. In line with the increase in revenue, the Group recorded a lower loss before taxation of approximately RM2.0 million for the current quarter as compared to the preceding year’s loss before taxation of approximately RM3.0 million.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 30 Jun 2022 RM’000	Preceding Quarter 31 Mar 2022 RM’000	Difference (%)
Revenue	8,362	3,368	148%
Loss before taxation	(1,986)	(4,787)	59%

The Group recorded revenue of approximately RM8.4 million in the current quarter, which was about 148% higher than that recorded in the preceding quarter ended 31 March 2022 of RM 3.7 million due to higher milestone achieved from the existing order book. The Group ended the current quarter with a lower before tax of RM2.0 million as compared to a loss before taxation of RM4.8 million in the immediate preceding quarter due to the higher revenue recorded though partly offset by the absence of write back of an impairment of contract asset.

The Group’s order book amounted to approximately RM64 million as at 30 June 2022 as compared to approximately RM70 million as at the end of immediate preceding quarter.

B3. Prospect

The easing of Covid-19 restriction around the region will be a much needed boost for operation and business activities. However, with the global macroeconomic environment remaining uncertain, the Group expect the current financial year to be challenging. The Group will continue to focus on our project delivery and will undertake a comprehensive review of our operation while embarking on efforts to expand our product offerings to the changing markets. In addition, our robotics subsidiary has reached developmental maturity and has gained some market traction.

B4. Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast or profit guarantee.

B5. Dividend

No dividend has been recommended for the quarter under review.

B6. Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the directors do not have any knowledge of any proceedings pending or threatened against the Group.



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B7. Notes to Condensed Consolidated Statement of Comprehensive Income

Operating profit is arrived at after charging/(crediting) the following items:

	Individual Quarter ended 30 Jun 2022 RM'000	Cumulative Quarter ended 30 Jun 2022 RM'000
i) Depreciation and amortization	1,954	1,954
ii) Foreign exchange (gain)/loss	(407)	(407)
iii) Provision for and write off / (write back) of receivables	-	-
iv) Provision for and write off / (write back) of contract assets	-	-
v) Goodwill impairment	-	-
vi) Impairment of intangible asset	-	-
vii) Exceptional items	-	-

B8. Taxation from continuing operation

	Individual quarter ended		Cumulative quarter ended	
	30 Jun 2022 RM'000	30 Jun 2021 RM'000	30 Jun 2022 RM'000	30 Jun 2021 RM'000
Current taxation charge	7	-	7	-
Under provision in prior year tax	-	-	-	-
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Tax expenses (charge)/write back	7	-	7	-
	=====	=====	=====	=====

Net deferred tax assets in respect of unutilized tax losses and development expenditure capitalized have not been recognized because of uncertainty that future taxable profits will be available against which the Company and its subsidiaries can utilize the benefits.

B9. Group Borrowings and Debt Securities

The total borrowings of the Group as at 30 June 2022 are as follows:

	RM'000
Payable within 12 months	
<i>Term Loans</i>	7,275
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The term loan was secured by corporate guarantee by the Company, notified assignment of certain consultancy contracts and fixed and floating charge over the assets of a subsidiary.



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B10. Status of Corporate Proposals

(a) Employee Share Option Scheme ("ESOS")

At an extraordinary general meeting on 27 August 2015, the Company's shareholders approved the establishment of a ten (10) year ESOS of up to thirty percent (30%) of the issued and paid-up capital of the Company. Set out below are the details of options over the ordinary shares of the Company under the ESOS:-

			Number of options over ordinary shares of RM0.10			
<u>Option Grant date</u>	<u>Option Expiry date</u>	<u>Exercise price</u>	Granted	Exercised	Forfeited / Lapsed	As at 30.06.22
02.6.2016	17.11.2025	RM 0.0728	15,000,000	(1,000,000)	(10,500,000)	3,500,000
02.5.2018	17.11.2025	RM 0.0656	23,000,000	(6,950,021)	(49,979)	16,000,000
30.8.2018	17.11.2025	RM 0.1238	25,300,000	-	(20,600,000)	4,700,000

Number of options exercisable as at 30 June 2022 is 24,200,000.

(b) Irredeemable convertible preference shares

On 25th November 2019, the Company announced that it proposed to undertake the following:

- (i) proposed renounceable rights issue of up to 2,095,106,469 new irredeemable convertible preference shares in the Company ("ICPS") ("Rights ICPS") at the issue price of RM0.01 per Rights ICPS on the basis of 8 Rights ICPS for every 3 existing ordinary shares in the Company held on an entitlement date to be determined later ("Proposed Rights Issue"),
- (ii) proposed placement of 420,000,000 new ICPS ("Placement ICPS") to Stone Villa Limited at the issue price of RM0.01 per Placement ICPS ("Proposed Placement") and
- (iii) proposed amendments to Constitution of the Company to facilitate the issuance of the ICPS ("Proposed Amendments"). (Collectively known as "Proposals")

The shareholders of the Company had approved the Proposals at an extraordinary general meeting held on 17 Jan 2020. The above Proposals were completed on 26 March 2020 following the listing of and quotation for 1,397,552,400 ICPS on the ACE Market of Bursa Securities.

The status of utilization of proceeds raised from the above Proposals as at 30 June 2022 are as follows:-

Purpose	Amount raised (RM'000)	Amount utilized (RM'000)
Repayment of Borrowings	7,500	7,500
Operating and capital expenditures for secured IT Contracts	2,776	2,821
Overseas expansion of FORNAX Systems	3,000	-
Professional fee related to the above Proposals	700	655
Total	13,976	10,976



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B11. Earning Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30 Jun 2022	Preceding year corresponding quarter 30 Jun 2021	Current year to date 30 Jun 2022	Preceding year corresponding period 30 Jun 2021
(a) Basic earnings/(loss) per share				
Net loss attributable to shareholders (RM'000)	(1,554)	(2,952)	(1,554)	(2,952)
Weighted average number of ordinary shares ('000)	1,169,222	1,184,817	1,169,222	1,184,817
Basic earnings per share (sen)	(0.13)	(0.25)	(0.13)	(0.25)

(b) Diluted earnings per share

The impact from share options and ICPS on the loss per share are anti-dilutive and therefore the diluted loss per shares are not presented.

By the Order of the Board

Tan Kean Wai (MAICSA 7056310)
Company Secretary
Kuala Lumpur

23rd August 2022