



(Registration No. 200201024235 (591898-H))

## QUARTERLY REPORT

### Condensed Consolidated Statement of Comprehensive Income For the fourth quarter ended 31 March 2023

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 31 Mar 2023 RM'000	Unaudited 31 Mar 2022 RM'000	Unaudited 31 Mar 2023 RM'000	Unaudited 31 Mar 2022 RM'000
<b>Revenue</b>	<b>7,202</b>	<b>3,368</b>	<b>27,045</b>	<b>22,822</b>
Material cost	(838)	(875)	(3,169)	(3,391)
Depreciation and amortization	(1,958)	(1,878)	(7,875)	(7,721)
Employee benefits expenses	(6,485)	(6,639)	(28,264)	(28,417)
Other operating expenses	(578)	(222)	(4,295)	(5,199)
Interest expenses	(497)	(49)	(1,041)	(409)
Interest income	4	30	107	159
Other income	1,531	883	3,757	1,071
Share of results of associates	31	5	16	204
Loss before taxation	(1,588)	(5,377)	(13,719)	(20,881)
Tax expense	(12)	(62)	(56)	(62)
<b>Net Loss for the period</b>	<b>(1,600)</b>	<b>(5,439)</b>	<b>(13,775)</b>	<b>(20,943)</b>
Other comprehensive income:				
Exchange differences on translating foreign operations	(277)	(75)	173	398
<b>Total Comprehensive Income</b>	<b>(1,877)</b>	<b>(5,514)</b>	<b>(13,602)</b>	<b>(20,544)</b>
Net Loss attributable to:				
Equity Holders of Company	(1,673)	(5,575)	(12,403)	(20,217)
Non-controlling interest	73	136	(1,372)	(726)
	(1,600)	(5,439)	(13,775)	(20,943)
Total comprehensive income attributable to:				
Equity Holders of Company	(1,935)	(5,647)	(12,116)	(19,813)
Non-controlling interest	58	133	(1,486)	(732)
	(1,877)	(5,514)	(13,602)	(20,544)
Loss per ordinary share (sen):				
- Basic	(0.14)	(0.48)	(1.05)	(1.75)
- 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

<b>Group</b>	<b>Unaudited 31 Mar 2023 RM'000</b>	<b>Audited 31 Mar 2022 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	467	798
Right-of-Use assets	2,248	3,075
Intangible assets	35,635	32,311
Goodwill on consolidation	276	258
Investment in associates	672	613
	<u>39,298</u>	<u>37,055</u>
<b>Current assets</b>		
Inventory	958	-
Contract assets	7,133	10,715
Trade and other receivables	10,039	10,527
Tax recoverable	3	3
Cash and cash equivalents	6,707	14,069
	<u>24,840</u>	<u>35,314</u>
<b>TOTAL ASSETS</b>	<u>64,138</u>	<u>72,369</u>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity and reserves</b>		
Shares Capital	115,372	114,840
Reserves	(77,879)	(65,677)
	<u>37,579</u>	<u>49,163</u>
Non-Controlling Interest	115	(1,127)
<b>Total Equity</b>	<u>37,694</u>	<u>48,036</u>
<b>Non-current liabilities</b>		
Lease liabilities	885	1,935
	<u>885</u>	<u>1,935</u>
<b>Current liabilities</b>		
Contract liabilities	5,412	5,146
Trade and other payables	10,952	8,744
Borrowings	7,629	7,139
Lease liabilities	1,566	1,370
	<u>25,559</u>	<u>22,398</u>
<b>Total liabilities</b>	<u>26,444</u>	<u>24,333</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>64,138</u>	<u>72,369</u>
Net assets per share (RM)	0.0317	0.0421

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 31 March 2023  
(Unaudited)

<b>Group</b>	<b>Share Capital</b>	<b>Preference Share</b>	<b>Equity Compensation Reserves</b>	<b>Translation Reserves</b>	<b>Accumulated Loss</b>	<b>Total</b>	<b>Non-Controlling Interest</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 Apr 2022	104,957	9,883	1,613	10,672	(77,962)	49,163	(1,127)	48,036
Loss for the period	-	-	-	-	(12,403)	(12,403)	(1,372)	(13,775)
Foreign Currency Translation	-	-	-	287	-	287	(114)	173
Issuance of ordinary shares pursuant to conversion of ICPS	709	-	-	-	-	709	-	709
Conversion of ICPS to ordinary shares	-	(177)	-	-	-	(177)	-	(177)
ESOS forfeited	-	-	(42)	-	42	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	2,728	2,728
<b>At 31 Mar 2023</b>	<b>105,666</b>	<b>9,706</b>	<b>1,571</b>	<b>10,959</b>	<b>(90,323)</b>	<b>37,579</b>	<b>115</b>	<b>37,694</b>
At 1 Apr 2021	102,913	10,149	2,097	10,268	(57,777)	67,650	(395)	67,254
Loss for the period	-	-	-	-	(20,217)	(20,217)	(726)	(20,943)
Foreign Currency Translation	-	-	-	404	-	404	(6)	398
Issuance of ordinary shares pursuant to conversion of ICPS	1,063	-	-	-	-	1,063	-	1,063
Issuance of ordinary shares pursuant to exercise of ESOS	981	-	(452)	-	-	529	-	529
Conversion of ICPS to ordinary shares	-	(266)	-	-	-	(266)	-	(266)
Share Options forfeited	-	-	(32)	-	32	-	-	-
<b>At 31 Mar 2022</b>	<b>104,957</b>	<b>9,883</b>	<b>1,613</b>	<b>10,672</b>	<b>(77,962)</b>	<b>49,163</b>	<b>(1,127)</b>	<b>48,036</b>

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 31 March 2023

(Unaudited)

Group	Year To Date ended	Year To Date Ended
	31 Mar 2023 RM'000	31 Mar 2022 RM'000
Loss for the period	(13,719)	(20,881)
Adjustments for:-		
Non-cash items	7,875	7,543
Non-operating items	(1,264)	231
Operating loss before working capital changes	(7,108)	(13,107)
Net change in current assets	3,376	9,309
Net change in current liabilities	2,209	5,902
Interest paid	(887)	(409)
Tax paid	(56)	(62)
Net cash (used)/generated in operating activities	(2,466)	1,633
Investing activities		
Purchase of property, plant and equipment	(67)	(449)
Interest received	107	159
Capital contribution from non-controlling interests	2,728	-
Addition of software development expenditure, net of grant	(6,982)	(7,227)
Net cash used in investing activities	(4,214)	(7,517)
Financing activities		
Proceeds from conversion of ICPS	532	797
Proceeds from exercise of ESOS	-	529
Payment of lease liabilities	(1,536)	(1,510)
Net cash (use) in financing activities	(1,004)	(184)
Net changes in cash and cash equivalents	(7,684)	(6,067)
Cash and cash equivalents at beginning of financial year	14,069	20,096
Effect of exchange rate changes on opening balance	320	41
Cash and cash equivalents at end of the financial period	6,707	14,069

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.



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**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.

**A9. Capital Commitments**

No material capital commitments were approved and contracted for as at 31 March 2023.

**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 1 April 2023 and 31 May 2023 that would be required to be reflected in the financial statement for the quarter ended 31 March 2023.

**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**

	31 Mar 2023 RM'000
Guarantees given by the Company for credit facilities granted to subsidiaries	7,629 =====

**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>2023</i>				
Revenue				
- External	4,005	23,040	-	27,045
- Internal	78	7,102	(7,180)	-
Total Revenue	4,083	30,142	(7,180)	27,045
Result				
- Segment Result	(267)	(12,534)	-	(12,801)
- Share of associate result				16
- Interest income				107
- Interest expense				(1,041)
Loss before tax				(13,719)
Tax				(56)
Loss after tax				(13,775)
Segment assets	30,503	60,147	(27,471)	63,179
Segment liabilities	2,031	24,413	-	26,444
Other information				
- Capital Expenditure	8	7,040	-	7,048
- Depreciation and amortization	223	7,652	-	7,875

<i>RM'000</i>	<i>Malaysia</i>	<i>Overseas</i>	<i>Elimination</i>	<i>Consolidated</i>
<i>FY21/22</i>				
Revenue				
- External	3,910	18,912	-	22,822
- Internal	1,091	9,063	(10,153)	-
Total Revenue	5,001	27,975	(10,153)	22,822
Result				
- Segment Result	(2,748)	(18,087)	-	(20,835)
- Share of associate result				204
- Interest income				159
- Interest expense				(409)
Loss before tax				(20,881)
Tax				-
Loss after tax				(20,881)
Segment assets	60,416	40,168	(28,214)	72,369
Segment liabilities	4,383	19,950	-	24,333
Other information				
- Capital Expenditure	34	7,809	-	7,843
- Depreciation and amortization	262	7,460	-	7,722



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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 higher revenue of approximately RM7.2 million as compared to the revenue of approximately RM3.4 million for the preceding year’s corresponding quarter period ended 31 March 2022. The increase was due to higher revenue recognition from the order book as a result of higher delivery milestone due to higher project milestones achieved. In line with the increase in revenue, the Group recorded a lower loss before taxation of approximately RM1.6 million for the current quarter as compared to the preceding year’s loss before taxation of approximately RM5.4 million.

#### Current Year-to-date vs Previous Year-to-date

For the 12 months ended 31 March 2023, the Group recorded revenue of RM27.0 million, which was 18.5% higher than the revenue of approximately RM22.8 million for the 12 months period ended 31 March 2022. In tandem with the improvement in revenue, the Group recorded a lower loss before taxation of approximately RM13.7 million for the current period as compared to the preceding year’s loss before taxation of approximately RM20.9 million.

### B2. Variation of Results against the Preceding Quarter

	Current Quarter 31 Mar 2023 RM’000	Preceding Quarter 31 Dec 2022 RM’000	Difference (%)
Revenue	7,202	5,797	24%
Loss before taxation	(1,588)	(5,261)	70%

The Group recorded revenue of approximately RM7.2 million in the current quarter, which was about 24% higher than that recorded in the preceding quarter ended 31 Dec 2022 of RM 5.8 million. Accordingly, the Group ended the current quarter with a lower loss before tax of approximately RM 1.6 million as compared to a loss before taxation of RM5.3 million in the immediately preceding quarter.

The Group’s order book amounted to approximately RM50.4 million as at 31 March 2023 as compared to approximately RM60.0 million as at the end of immediately preceding quarter due to revenue recognized during the quarter and revision to contracts sums as a result of variations to the agreed upon deliverables, though partly offset by new orders secured during the quarter.

### B3. Prospect

The Group will continue to focus on our project delivery to meet our contractual obligation while undertaking a comprehensive review of our operation. We will continue to grow our revenue by intensifying our sales and marketing efforts, such as establishing collaboration with partners to provide valued added services. Our investments in artificial intelligent and robotics has also reached developmental maturity and commercial sales of our social robots has commenced in the first quarter of the new financial year. The Group will strive to improve performance in the coming financial year.





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**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.

**B7. Notes to Condensed Consolidated Statement of Comprehensive Income**

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

	<b>Individual Quarter ended 31 Mar 2023 RM'000</b>	<b>Cumulative Quarter ended 31 Mar 2023 RM'000</b>
i) Depreciation and amortization	1,958	7,875
ii) Foreign exchange (gain)/loss	(635)	(1,981)
iii) Provision for and write off / (write back) of receivables	240	240
iv) Provision for and write off / (write back) of contract assets	-	-
v) Goodwill impairment	-	-
vi) Impairment of intangible asset	-	-
vii) Exceptional items	-	-



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**B8. Taxation from continuing operation**

	Individual quarter ended		Cumulative quarter ended	
	31 Mar 2023 RM'000	31 Mar 2022 RM'000	31 Mar 2023 RM'000	31 Mar 2022 RM'000
Current taxation charge	56	17	56	17
Under provision in prior year tax	-	45	-	45
	-----	-----	-----	-----
Tax expenses (charge)/write back	56	62	56	62
	=====	=====	=====	=====

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 31 March 2023 are as follows:

	RM'000
Payable within 12 months	
<i>Term Loans</i>	7,629
	=====

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.

**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 31.03.23
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	-	(21,000,000)	4,300,000

Number of options exercisable as at 31 March 2023 is 23,800,000.



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(b) Irredeemable convertible preference shares

On 25<sup>th</sup> 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. On 19 Dec 2022, the Company announced to vary the utilisation of proceeds of approximately RM3.0 million as below: -

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Re-allocation RM'000	Balance unutilised RM'000	Amount to be varied RM'000	Revised utilisation RM'000	Revised timeframe for use of proceeds
Repayment of Borrowings	7,500	(7,500)	-	-	-	-	-
Operating and capital expenditures for secured IT Contracts	2,776	(2,821)	(45)*	-	-	-	-
Overseas expansion of FORNAX Systems	3,000	-	-	3,000	(3,000)	-	-
Professional fee related to the above Proposals	700	(655)	45*	-	-	-	-
Working capital	-	-	-	-	3,000	3,000	By 31 March 2023
<b>Total</b>	<b>13,976</b>	<b>(10,976)</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>3,000</b>	<b>-</b>



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**B11. Earning Per Share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31 Mar 2023	Preceding year corresponding quarter 31 Mar 2022	Current year to date 31 Mar 2023	Preceding year corresponding period 31 Mar 2022
<b>(a) Basic loss per share</b>				
Net loss attributable to shareholders (RM'000)	(1,673)	(5,647)	(12,403)	(20,217)
Weighted average number of ordinary shares ('000)	1,183,865	1,169,559	1,176,120	1,156,064
Basic earnings per share (sen)	(0.14)	(0.48)	(1.05)	(1.75)

**(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 is not presented.

By the Order of the Board

Tan Kean Wai (MAICSA 7056310)  
Company Secretary  
Kuala Lumpur

31<sup>st</sup> May 2023