



(Registration No. 200201024235 (591898-H))

QUARTERLY REPORT

Condensed Consolidated Statement of Comprehensive Income For the first quarter ended 30 June 2023

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 30 Jun 2023 RM'000	Unaudited 30 Jun 2022 RM'000	Unaudited 30 Jun 2023 RM'000	Unaudited 30 Jun 2022 RM'000
Revenue	7,437	8,362	7,437	8,362
Material cost	(1,764)	(801)	(1,764)	(801)
Depreciation and amortization	(2,243)	(1,954)	(2,243)	(1,954)
Employee benefits expenses	(6,633)	(7,468)	(6,633)	(7,468)
Other operating expenses	(1,258)	(985)	(1,258)	(985)
Interest expenses	(203)	(120)	(203)	(120)
Interest income	-	31	-	31
Other income	2,621	935	2,621	935
Share of results of associates	60	14	60	14
Loss before taxation	(1,983)	(1,986)	(1,983)	(1,986)
Tax expense	-	(7)	-	(7)
Net Loss for the period	(1,983)	(1,993)	(1,983)	(1,993)
Other comprehensive income: Exchange differences on translating foreign operations	(390)	225	(390)	225
Total Comprehensive Income	(2,373)	(1,768)	(2,373)	(1,768)
Net Loss attributable to:				
Equity Holders of Company	(1,954)	(1,554)	(1,954)	(1,554)
Non-controlling interest	(29)	(439)	(29)	(439)
	(1,983)	(1,993)	(1,983)	(1,993)
Total comprehensive income attributable to:				
Equity Holders of Company	(2,343)	(1,306)	(2,343)	(1,306)
Non-controlling interest	(30)	(462)	(30)	(462)
	(2,373)	(1,768)	(2,373)	(1,768)
Loss per ordinary share (sen):				
- Basic	(0.16)	(0.13)	(0.16)	(0.13)
- Diluted	-	-	-	-

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2023 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 2023 RM'000	Audited 31 Mar 2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	463	467
Right-of-Use assets	1,925	2,248
Intangible assets	37,193	35,635
Goodwill on consolidation	287	276
Investment in associates	762	672
	<u>40,629</u>	<u>39,298</u>
Current assets		
Inventory	1,734	961
Contract assets	6,823	7,133
Trade and other receivables	7,288	10,527
Tax recoverable	49	40
Cash and cash equivalents	4,845	6,697
	<u>20,789</u>	<u>24,786</u>
TOTAL ASSETS	<u>61,368</u>	<u>64,082</u>
EQUITY & LIABILITIES		
Equity and reserves		
Shares Capital	115,375	115,372
Reserves	(79,931)	(77,588)
	<u>35,444</u>	<u>37,784</u>
Non-Controlling Interest	(25)	5
Total Equity	<u>35,419</u>	<u>37,789</u>
Non-current liabilities		
Lease liabilities	524	792
	<u>524</u>	<u>792</u>
Current liabilities		
Contract liabilities	5,452	5,388
Trade and other payables	10,437	10,825
Borrowings	7,947	7,629
Lease liabilities	1,590	1,659
	<u>25,425</u>	<u>25,501</u>
Total liabilities	<u>25,949</u>	<u>26,293</u>
TOTAL EQUITY AND LIABILITIES	<u>61,368</u>	<u>64,082</u>
Net assets per share (RM)	0.0299	0.0319

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 March 2023 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 2023

(Unaudited)

Group	Share Capital	Preference Share	Shares Option 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 2023	105,665	9,706	1,571	11,047	(90,205)	37,784	5	37,789
Loss for the period	-	-	-	-	(1,954)	(1,954)	(29)	(1,983)
Foreign Currency Translation	-	-	-	(389)	-	(389)	(1)	(390)
Issuance of ordinary shares pursuant to conversion of ICPS	4	-	-	-	-	4	-	4
Conversion of ICPS to ordinary shares	-	(1)	-	-	-	(1)	-	(1)
At 30 Jun 2023	105,669	9,705	1,571	10,658	(92,159)	35,444	(25)	35,419
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

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 2023 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 2023

(Unaudited)

Group	Year To Date ended	Year To Date Ended
	30 Jun 2023 RM'000	30 Jun 2022 RM'000
Loss for the period	(1,983)	(1,986)
Adjustments for:-		
Non-cash items	2,243	1,954
Non-operating items	(1,816)	(378)
Operating loss before working capital changes	(1,556)	(410)
Net change in current assets	2,267	3,947
Net change in current liabilities	(387)	1,008
Interest paid	(175)	(41)
Tax paid	(9)	(7)
Net cash generated in operating activities	140	4,497
Investing activities		
Purchase of property, plant and equipment	(32)	(33)
Interest received	-	31
Addition of software development expenditure, net of grant	(1,861)	(1,956)
Net cash used in investing activities	(1,893)	(1,958)
Financing activities		
Proceeds from conversion of ICPS	3	71
Payment of lease liabilities	(366)	(457)
Net cash (use) in financing activities	(363)	(386)
Net changes in cash and cash equivalents	(2,116)	2,153
Cash and cash equivalents at beginning of financial year	6,697	14,069
Effect of exchange rate changes on opening balance	264	85
Cash and cash equivalents at end of the financial period	4,845	16,307

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2023 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 2023.

A2. Adoption of Revised Financial Reporting

The significant accounting policies and presentations adopted by the Group in this interim financial report are consistent with those adopted in the Group’s audited consolidated financial statements for the financial year ended 31 March 2023, except for the adoption of the following new Malaysia Financial Reporting Standards (“MFRSs”) effective for financial periods beginning on or after 1 January 2023.

MFRS 17 and its amendments to MFRS 17: Insurance Contracts

Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for the current financial period:

MFRSs and/or IC Interpretations (Including The Consequential Amendments) Effective Date

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Deferred

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback 1 January 2024

Amendments to MFRS 101: Classification of Liabilities as Current or Noncurrent 1 January 2024

Amendments to MFRS 101: Non-current Liabilities with Covenants 1 January 2024

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements 1 January 2024

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.



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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.

A9. Capital Commitments

No material capital commitments were approved and contracted for as at 30 June 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 July 2023 and 24 August 2023 that would be required to be reflected in the financial statement for the quarter ended 30 June 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

Guarantees given by the Company for credit facilities granted to subsidiaries

30 Jun 2023
RM'000

7,947

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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>2023</i>				
Revenue				
- External	665	6,772	-	7,437
- Internal	12	1,454	(1,465)	-
Total Revenue	676	8,226	(1,465)	7,437
Result				
- Segment Result	(271)	(1,569)	-	(1,840)
- Share of associate result				60
- Interest income				-
- Interest expense				(203)
Loss before tax				(1,983)
Tax				-
Loss after tax				(1,983)
Segment assets	29,668	59,171	(27,471)	61,368
Segment liabilities	1,778	24,171	-	25,949
Other information				
- Capital Expenditure	-	1,893	-	1,893
- Depreciation and amortization	49	2,193	-	2,193

<i>RM'000</i>	<i>Malaysia</i>	<i>Overseas</i>	<i>Elimination</i>	<i>Consolidated</i>
<i>FY22/23</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



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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 RM7.4 million as compared to the revenue of approximately RM8.4 million for the preceding year’s corresponding quarter period ended 30 June 2022. Notably, as part of our long-term revenue diversification plan, the Group successfully commenced the commercial sales of our innovative social robot, DEXIE, to several nursing homes in Singapore although the current quarter revenue was affected by a lower project milestones achieved from our existing order books.

In spite of the reduced revenue, the Group incurred a loss before tax of around RM2.0 million for the quarter ended on 30 June 2023, which was comparable to the loss before taxation of approximately RM2.0 million from the same quarter in the previous year. This was attributed to decreased staff costs and favorable exchange gain, though partly offset by an increase in material costs, amortization and other operational expenses.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 30 Jun 2023 RM’000	Preceding Quarter 31 Mar 2023 RM’000	Difference (%)
Revenue	7,437	7,202	3%
Loss before taxation	(1,983)	(1,588)	25%

The Group recorded revenue of approximately RM7.4 million in the current quarter, which was comparable to that recorded in the preceding quarter ended 31 March 2023 of RM 7.2 million. However, the Group concluded the current quarter with a slightly higher loss before tax of about RM2.0 million, when compared to the loss before tax of RM1.6 million in the immediately preceding quarter. This was mainly due to increased material costs, amortization charge and other operational expenses, though partially mitigated by a higher favorable exchange gain.

B3. Prospect

The Group’s order book amounted to approximately RM50.9 million as at 30 June 2023 as compared to approximately RM50.4 million as at the end of immediately preceding quarter.

With the commercialisation of social robots in the first quarter of the current financial year, the Group is in a better position to improve its performance for the year. We remain committed to drive the transformative growth plan to turnaround the Group while we continue to focus on our project delivery to meet our contractual obligation and intensify our sales and marketing efforts, such as establishing collaboration with partners to provide valued added services.



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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:

	Individual Quarter ended 30 Jun 2023 RM'000	Cumulative Quarter ended 30 Jun 2023 RM'000
i) Depreciation and amortization	2,243	2,243
ii) Foreign exchange (gain)/loss	(1,839)	(1,839)
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	-	-



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B8. Taxation from continuing operation

	Individual quarter ended		Cumulative quarter ended	
	30 Jun 2023 RM'000	30 Jun 2022 RM'000	30 Jun 2023 RM'000	30 Jun 2022 RM'000
Current taxation charge	-	7	-	7
Under provision in prior year tax	-	-	-	-
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 2023 are as follows:

	RM'000
Payable within 12 months	
<i>Term Loans</i>	7,947

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

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 31.06.23
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 30 June 2023 is 23,800,000.



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B11. Earning Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30 Jun 2023	Preceding year corresponding quarter 30 Jun 2022	Current year to date 30 Jun 2023	Preceding year corresponding period 30 Jun 2022
(a) Basic loss per share				
Net loss attributable to shareholders (RM'000)	<u>(1,953)</u>	<u>(1,554)</u>	<u>(1,953)</u>	<u>(1,554)</u>
Weighted average number of ordinary shares ('000)	<u>1,186,186</u>	<u>1,169,222</u>	<u>1,186,186</u>	<u>1,169,222</u>
Basic earnings per share (sen)	(0.16)	(0.13)	(0.16)	(0.13)

(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

24th August 2023