



(Registration No. 200201024235 (591898-H))

QUARTERLY REPORT

Condensed Consolidated Statement of Comprehensive Income For the third quarter ended 31 December 2023

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 31 Dec 2023 RM'000	Unaudited 31 Dec 2022 RM'000	Unaudited 31 Dec 2023 RM'000	Unaudited 31 Dec 2022 RM'000
Revenue	10,185	5,797	26,746	19,843
Material cost	(857)	(629)	(3,690)	(2,331)
Depreciation and amortization	(2,262)	(1,995)	(6,687)	(5,917)
Employee benefits expenses	(6,247)	(7,224)	(19,497)	(21,779)
Other operating expenses	(1,077)	(1,136)	(3,581)	(2,372)
Interest expenses	(183)	(211)	(579)	(544)
Interest income	-	31	-	103
Other income	638	138	3,342	881
Share of results of associates	80	(32)	116	(15)
Profit/(Loss) before taxation	277	(5,261)	(3,830)	(12,131)
Tax expense	-	(27)	-	(44)
Net Profit/(Loss) for the period	277	(5,288)	(3,830)	(12,175)
Other comprehensive income:				
Exchange differences on translating foreign operations	14	41	(264)	450
Total Comprehensive Income	291	(5,247)	(4,094)	(11,725)
Net Profit/(Loss) attributable to:				
Equity Holders of Company	22	(4,768)	(3,982)	(10,730)
Non-controlling interest	255	(520)	152	(1,445)
	277	(5,288)	(3,830)	(12,175)
Total comprehensive income attributable to:				
Equity Holders of Company	31	(4,704)	(4,249)	(10,181)
Non-controlling interest	260	(543)	155	(1,544)
	291	(5,247)	(4,094)	(11,725)
Loss per ordinary share (sen):				
- Basic	0.00	(0.40)	(0.33)	(0.91)
- 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 31 Dec 2023 RM'000	Audited 31 Mar 2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	350	467
Right-of-Use assets	1,129	2,248
Intangible assets	35,484	35,635
Goodwill on consolidation	289	276
Investment in associates	822	672
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	38,074	39,298
Current assets		
Inventory	2,384	961
Contract assets	5,935	7,133
Trade and other receivables	9,911	10,527
Tax recoverable	67	40
Cash and cash equivalents	3,769	6,697
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	22,066	24,786
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TOTAL ASSETS	60,140	64,082
EQUITY & LIABILITIES		
Equity and reserves		
Shares Capital	115,604	115,372
Reserves	(81,837)	(77,588)
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	33,767	37,784
Non-Controlling Interest	161	5
	<hr/>	<hr/>
Total Equity	33,928	37,789
Non-current liabilities		
Lease liabilities	91	792
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	91	792
Current liabilities		
Contract liabilities	5,514	5,388
Trade and other payables	11,438	10,825
Borrowings	8,002	7,629
Lease liabilities	1,167	1,659
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	26,121	25,501
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Total liabilities	26,212	26,293
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TOTAL EQUITY AND LIABILITIES	60,140	64,082
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Net assets per share (RM)	0.0283	0.0319
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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 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 31 December 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	-	-	-	-	(3,982)	(3,982)	152	(3,830)
Foreign Currency Translation	-	-	-	(268)	-	(268)	4	(264)
Issuance of ordinary shares pursuant to conversion of ICPS	310	-	-	-	-	310	-	310
Conversion of ICPS to ordinary shares	-	(77)	-	-	-	(77)	-	(77)
At 31 Dec 2023	105,975	9,629	1,571	10,779	(94,187)	33,767	161	33,928
At 1 Apr 2022	104,957	9,883	1,613	10,672	(77,962)	49,163	(1,127)	48,036
Loss for the period	-	-	-	-	(10,730)	(10,730)	(1,445)	(12,175)
Foreign Currency Translation	-	-	-	549	-	549	(99)	450
Issuance of ordinary shares pursuant to conversion of ICPS	492	-	-	-	-	492	-	492
Conversion of ICPS to ordinary shares	-	(123)	-	-	-	(123)	-	(123)
ESOS forfeited	-	-	(42)	-	42	-	-	-
At 31 Dec 2022	105,449	9,761	1,571	11,221	(88,650)	39,352	(2,671)	36,681

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 31 December 2023

(Unaudited)

Group	Year To Date ended	Year To Date Ended
	31 Dec 2023 RM'000	31 Dec 2022 RM'000
Loss for the period	(3,830)	(12,130)
Adjustments for: -		
Non-cash items	6,687	5,917
Non-operating items	(1,656)	(1,380)
Operating loss before working capital changes	1,201	(7,593)
Net change in current assets	(56)	1,958
Net change in current liabilities	614	788
Interest paid	(508)	(121)
Tax paid	(27)	(44)
Net cash generated in operating activities	1,224	(5,012)
Investing activities		
Purchase of property, plant and equipment	(31)	(67)
Interest received	-	103
Addition of software development expenditure, net of grant	(3,389)	(5,215)
Net cash used in investing activities	(3,420)	(5,180)
Financing activities		
Proceeds from conversion of ICPS	232	369
Payment of lease liabilities	(1,265)	(1,125)
Net cash (use) in financing activities	(1,033)	(756)
Net changes in cash and cash equivalents	(3,229)	(10,948)
Cash and cash equivalents at beginning of financial year	6,697	14,069
Effect of exchange rate changes on opening balance	301	267
Cash and cash equivalents at end of the financial period	3,769	3,389

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 31 Dec 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 Jan 2024 and 22 Feb 2024 that would be required to be reflected in the financial statement for the quarter ended 31 Dec 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 Dec 2023 RM'000
Guarantees given by the Company for credit facilities granted to subsidiaries	8,002
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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>FY23/24</i>				
Revenue				
- External	2,058	24,688	-	26,746
- Internal	-	4,143	(4,143)	-
Total Revenue	2,058	28,831	(4,143)	26,746
Result				
- Segment Result	(1,016)	(2,351)	-	(3,367)
- Share of associate result				116
- Interest income				-
- Interest expense				(579)
Loss before tax				(3,830)
Tax				-
Loss after tax				(3,830)
Segment assets	29,276	58,335	(27,471)	60,140
Segment liabilities	1,820	24,392	-	26,212
Other information				
- Capital Expenditure	9	3,411	-	3,420
- Depreciation and amortization	149	6,538	-	6,687

<i>RM'000</i>	<i>Malaysia</i>	<i>Overseas</i>	<i>Elimination</i>	<i>Consolidated</i>
<i>FY22/23</i>				
Revenue				
- External	1,660	12,386	-	14,046
- Internal	-	3,449	(3,449)	-
Total Revenue	1,660	15,835	(3,449)	14,046
Result				
- Segment Result	(508)	(6,118)	-	(6,626)
- Share of associate result				17
- Interest income				72
- Interest expense				(333)
Loss before tax				(6,870)
Tax				(17)
Loss after tax				(6,887)
Segment assets	29,090	65,247	(27,471)	66,866
Segment liabilities	1,231	23,842	-	25,073
Other information				
- Capital Expenditure	7	3,693	-	3,700
- Depreciation and amortization	124	3,798	-	3,922



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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 RM10.2 million, representing an 76% improvement over the revenue of approximately RM5.8 million for the preceding year’s corresponding quarter period ended 31 December 2022. The improvement was mainly attributed to the commencement of the commercial sales of our innovative social robot, DEXIE, to several nursing homes in Singapore along with increased revenue recognition from higher project milestone completed in our e-Government and Healthcare business units.

In tandem with the increase in revenue, the Group generated a profit before taxation of approximately RM0.3 million for the quarter ended 31 December 2023, contrasting with the loss before taxation of approximately RM5.3 million incurred during the corresponding quarter of the previous year.

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

For the 9 months ended 31 December 2023, the Group achieved revenue of RM26.7 million, marking an approximately 35% increase over the revenue of RM19.8 million for the 9 months period ended 31 December 2022. The increase can be primarily attributed to commencement of the commercial sales of our innovative social robot, DEXIE, to several nursing homes in Singapore. In line with the increase in revenue, the Group reported a reduced loss before taxation of approximately RM3.8 million for the current period, compared to the preceding year's loss before taxation of approximately RM12.1 million.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 31 Dec 2023 RM’000	Preceding Quarter 30 Sep 2023 RM’000	Difference (%)
Revenue	10,185	9,124	12%
Profit/(Loss) before taxation	277	(2,124)	113%

The Group recorded revenue of approximately RM10.2 million in the current quarter, which was approximately 12% higher than that recorded in the preceding quarter ended 30 Sep 2023 of RM 9.1 million. In tandem with the rise in revenue, reduced expenses, and a favorable exchange gain, the Group closed the current quarter with a profit before taxation of approximately RM0.3 million, which marks a notable turnaround from the previous quarter, which reported a loss before taxation of RM2.1 million..

B3. Prospect

The Group’s order book amounted to approximately RM50.6 million as at 31 December 2023 as compared to approximately RM50.8 million as at the end of immediately preceding quarter.

With the commercialisation of social robots in 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 focus on our project delivery to meet our contractual obligation. We will intensify our sales and marketing efforts, such as forging strategic collaborations with industry partners to offer a spectrum of value-added services and to broaden our market reach. An example of such collaborations was the entering of a Joint Venture Agreement with Theta Edge Berhad in September 2023.



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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 31 Dec 2023 RM'000	Cumulative Quarter ended 31 Dec 2023 RM'000
i) Depreciation and amortization	2,262	6,687
ii) Foreign exchange (gain)/loss	(434)	(2,018)
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	
	31 Dec 2023 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2022 RM'000
Current taxation charge	-	27	-	44
Under provision in prior year tax	-	-	-	-
Tax expenses (charge)/write back	-	27	-	44

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 December 2023 are as follows:

	RM'000
Payable within 12 months	
<i>Term Loans</i>	8,002

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: -

<u>Option Grant date</u>	<u>Option Expiry date</u>	<u>Exercise price</u>	Number of options over ordinary shares of RM0.10			As at 31.12.23
			Granted	Exercised	Forfeited / Lapsed	
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 December 2023 is 23,800,000.



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B11. Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31 Dec 2023	Preceding year corresponding quarter 31 Dec 2022	Current year to date 31 Dec 2023	Preceding year corresponding period 31 Dec 2022
(a) Basic loss per share				
Net loss attributable to shareholders (RM'000)	22	(4,768)	(3,982)	(10,730)
Weighted average number of ordinary shares ('000)	1,195,047	1,178,367	1,189,172	1,173,573
Basic earnings per share (sen)	0.00	(0.40)	(0.33)	(0.91)

(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

22nd February 2024