



(Registration No. 200201024235 (591898-H))

QUARTERLY REPORT

Condensed Consolidated Statement of Comprehensive Income For the fourth quarter ended 31 March 2020

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 31 Mar 2020 RM'000	Unaudited 31 Mar 2019 RM'000	Unaudited 31 Mar 2020 RM'000	Unaudited 31 Mar 2019 RM'000
Revenue	6,727	10,672	39,333	53,019
Material cost	(3,034)	(2,130)	(7,925)	(14,811)
Depreciation and amortization	(1,353)	(1,076)	(6,268)	(4,441)
Employee benefits expenses	(5,575)	(6,981)	(21,393)	(22,934)
Other operating expenses	(2,451)	(3,003)	(6,893)	(7,907)
Interest expenses	(378)	(100)	(754)	(271)
Interest - ROU	(41)	-	(188)	-
Interest income	-	-	-	1
Share of results of associates	(31)	(72)	(63)	9
Profit before taxation	(6,136)	(2,690)	(4,151)	2,665
Tax expense	(16)	(13)	(16)	(14)
Profit from continuing operation	(6,152)	(2,703)	(4,167)	2,651
Profit/(Loss) from discontinued operation (net of tax)	-	-	-	3,916
Net Profit for the period	(6,152)	(2,703)	(4,167)	6,568
Other comprehensive income:				
Exchange differences on translating foreign operations	(220)	(440)	87	528
Total Comprehensive Income	(6,372)	(3,143)	(4,080)	7,096
Net Profit/(Loss) attributable to:				
Equity Holders of Company	(5,780)	(2,604)	(3,481)	8,234
Non-controlling interest	(372)	(99)	(686)	(1,666)
	(6,152)	(2,703)	(4,167)	6,568
Total comprehensive income attributable to:				
Equity Holders of Company	(6,000)	(3,085)	(3,397)	8,722
Non-controlling interest	(372)	(58)	(683)	(1,626)
	(6,372)	(3,143)	(4,080)	7,096
Earnings per ordinary share (sen):				
- Basic	(0.77)	(0.35)	(0.46)	1.12
- Diluted	-	(0.35)	-	1.10

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.



(Registration No. 200201024235 (591898-H))

Condensed Consolidated Statement of Financial Position

Group	Unaudited 31 Mar 2020 RM'000	Audited 31 Mar 2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,310	1,057
Right-of-Use assets	2,838	-
Intangible assets	26,157	21,716
Goodwill on consolidation	252	250
Investment in associates	697	754
	31,254	23,777
Current assets		
Contract assets	35,675	36,714
Trade and other receivables	17,015	14,295
Tax recoverable	3	3
Cash and cash equivalents	14,758	6,344
	67,451	57,356
TOTAL ASSETS	98,705	81,133
EQUITY & LIABILITIES		
Equity and reserves		
Ordinary Shares	87,619	87,619
Preference Shares	13,976	-
Reserves	(36,031)	(31,701)
	65,564	55,918
Non-Controlling Interest	458	346
Total Equity	66,022	56,264
Non-current liabilities		
Lease liabilities	1,079	-
	1,079	-
Current liabilities		
Contract liabilities	1,215	1,470
Trade and other payables	16,381	15,813
Borrowings	12,158	7,583
Lease liabilities	1,849	-
Taxation	3	3
	31,606	24,869
Total liabilities	32,685	24,869
TOTAL EQUITY AND LIABILITIES	98,705	81,133
Net assets per share (RM)	0.09	0.07

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.



(Registration No. 200201024235 (591898-H))

Condensed Consolidated Statement of Changes in Equity

For the period ended 31 Mar 2020

(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 April 2019	87,619	-	2,272	9,906	(43,879)	55,918	346	56,264
Profit for the period	-	-	-	-	(3,481)	(3,481)	(686)	(4,167)
Foreign Currency Translation	-	-	-	84	-	84	3	87
Issuance of ICPS	-	13,976	-	-	-	13,976	-	13,976
ICPS Share issuance expenses	-	-	-	-	(573)	(573)	-	(573)
ESOS lapsed	-	-	(37)	-	37	-	-	-
Additional investment in subsidiary	-	-	-	-	(360)	(360)	810	450
Disposal of subsidiary	-	-	-	-	-	-	(15)	(15)
At 31 March 2020	87,619	13,976	2,235	9,990	(48,256)	58,521	458	66,022
At 1 April 2018	80,787	-	279	9,418	(52,112)	38,372	2,328	40,700
Profit for the period	-	-	-	-	8,234	8,234	(1,666)	9,270
Foreign Currency Translation	-	-	-	488	-	488	40	968
Issuance of new ordinary shares	6,832	-	-	-	-	6,832	-	6,832
Employee Stock Option								
Grant of option	-	-	1,992	-	-	1,992	-	372
Acquisition of subsidiary	-	-	-	-	-	-	501	502
Disposal of subsidiary	-	-	-	-	-	-	(857)	(815)
At 31 March 2019	87,619	-	2,272	9,906	(43,879)	55,918	346	57,829

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 2019 and the accompanying explanatory notes attached to the interim financial statements.



(Registration No. 200201024235 (591898-H))

Condensed Consolidated Cash Flow Statements

For the period ended 31 Mar 2020

(Unaudited)

Group	Year To Date ended	Year To Date ended
	31 Mar 2020 RM'000	31 Mar 2019 RM'000
Profit/(loss) for the period	(4,167)	6,550
Adjustments for :-		
Non-cash items	6,268	7,235
Non-operating items	815	(6,259)
Operating loss before working capital changes	2,916	7,526
Net change in current assets	(1,934)	(23,963)
Net change in current liabilities	569	7,479
Interest paid	(754)	(283)
Tax paid	(20)	(25)
Net cash used in operating activities	777	(9,266)
Investing activities		
Purchase of property, plant and equipment	(601)	(1,353)
Interest received	-	1
Proceeds from disposal of subsidiary, net of cash disposed	2	(2,458)
Net cash inflow from investment in subsidiary	-	292
Additional investment in subsidiary by NCI and Group	451	-
Addition of software development expenditure, net of grant	(8,543)	(6,643)
Net cash used in investing activities	(8,691)	(10,161)
Financing activities		
Proceeds from issuance of ordinary shares	-	6,832
Proceeds from issuance of preference shares	13,976	-
Share issuance expenses	(573)	-
Payment of lease liabilities	(1,656)	-
Proceeds/(Repayment) of short term borrowing, net	4,510	2,414
Net cash generated in financing activities	16,257	9,246
Net changes in cash and cash equivalents	8,343	(10,181)
Cash and cash equivalents at beginning of financial year	6,344	15,071
Effect of exchange rate changes on opening balance	71	1,454
Cash and cash equivalents at end of the financial period	14,758	6,344
Cash and cash equivalents at end of financial period comprise of:		
Cash and bank balance	14,758	6,344

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.



(Registration No. 200201024235 (591898-H))

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 2019.

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 2019. The Group has adopted all the new and revised MFRS and IC interpretations that are relevant and effective for the accounting period beginning on or after 1 April 2019. The adoption of these new and revised MFRSs and IC interpretations have not resulted in any material impact on the financial statements of the Group.

The Group has not elected for early adoption of the relevant new and revised MFRSs, amendments to MFRSs and Interpretations which have been issued but not yet effective until future periods. The adoption of these Standards when they become effective is not expected to have a material impact on the financial statements of the Group.

A2. Adoption of Revised Financial Reporting

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 March 2019, except for the adoption of the following

Amendments and Annual improvement to Standards that came into effect on 1 January 2019:-

MFRS 16 Leases

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

IC Interpretation 23 Uncertainty Over Income Tax Treatments

Annual Improvements to MFRS Standards 2015-2017 Cycles

The initial applications of the above do not have any material financial impacts to the financial statements of the Group except for MFRS16.

MFRS 16 Leases

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and will replace the current guidance on lease accounting when it becomes effective. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their leased assets and the related lease obligations in the statement of financial position (with limited exceptions). The leased assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method.

There are recognition exemptions for short-term leases and leases of low-value items. These leases, accounting remains similar to the current standard which continues to be classified as finance or operating lease.

As allowed by the transitional provision, the Group applies MFRS 16 with effect from 1 January 2019, using the modified retrospective approach, with no restatement of comparative information.

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

MFRSs and IC Interpretations (Including The Consequential Amendments Effective Date

Amendments to MFRS 3: Definition of a Business 1 January 2020

Amendments to MFRS 101 and MFRS 108: Definition of a Material 1 January 2020

Amendments to References to the Conceptual Framework in MFRS Standards 1 January 2020

MFRS 17 Insurance Contracts 1 January 2021

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an

Investor and its Associate or Joint Venture Deferred



(Registration No. 200201024235 (591898-H))

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 B9, 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 31st March 2020.

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 April 2020 and 28th July 2020 that would be required to be reflected in the financial statement for the quarter ended 31st March 2020.

A12. Changes in the Composition of the Group

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

Subsequent to the financial period under review, the Company has incorporated a new company called DEX-lab Pte Ltd ("DEX-lab") in Singapore on 4 May 2020 with a paid up capital of S\$100,000 to focus on the development and marketing of artificial intelligence ("AI") related products and services. The Company will hold a 60% stake in DEX-lab while Mr Loh Guan Huat Sunny, a businessman with extensive experience and network of business contacts in Asia Pacific region, will hold the remaining 40% stake in DEX-lab.



(Registration No. 200201024235 (591898-H))

A13. Segmental Information

<i>RM'000</i>	<i>Building Control and Automation# (Discontinued)</i>	<i>Application Solution@</i>	<i>Elimination</i>	<i>Consolidated</i>
<i>2020</i>				
Revenue				
- External	-	39,333	-	39,333
- Internal	-	5,836	(5,836)	-
Total Revenue	-	45,169	(5,836)	39,333
Result				
- Segment Result	-	(3,145)	-	(3,145)
- Share of associate result	-	(63)	-	(63)
- Interest income	-	-	-	-
- Interest expense	-	(942)	-	(942)
Profit/(loss) before tax	-	(4,151)	-	(4,151)
Tax	-	(16)	-	(16)
Profit/(loss) after tax	-	(4,168)	-	(4,168)
Segment assets	-	98,704	-	98,704
Segment liabilities	-	32,682	-	32,682
Other information				
- Capital Expenditure	-	9,143	-	9,143
- Depreciation and amortization	-	6,268	-	6,268
<i>RM'000</i>	<i>Building Control and Automation# (Discontinued)</i>	<i>Application Solution@</i>	<i>Elimination</i>	<i>Consolidated</i>
<i>2019</i>				
Revenue				
- External	11,512	53,019	-	64,531
- Internal	-	5,033	(5,033)	-
Total Revenue	11,512	58,052	(5,033)	64,531
Result				
- Segment Result	(2,608)	2,926	-	2,835
- Share of associate result	-	9	-	81
- Interest income	40	1	-	41
- Interest expense	(503)	(271)	-	(674)
Profit/(loss) before gain on disposal	(3,071)	2,665	-	2,283
Gain on disposal	6,956	-	-	6,956
Profit/(loss) before tax	3,885	2,665	-	9,239
Tax	31	(14)	-	31
Profit/(loss) after tax	3,916	2,651	-	9,270
Segment assets	-	81,133	-	81,133
Segment liabilities	-	24,869	-	24,869
Other information				
- Capital Expenditure	1,167	6,895	-	8,062
- Depreciation and amortization	397	4,507	-	4,905

The Building Control and Automation segment is involved in the provision of integrated control and automation system for buildings and facilities. With the disposal of the segment by the Group in July 2018, the Building Control and Automation segment will be classified as discontinued operation.

@ The Application Solution segment is involved in the provision of e-business solution for the healthcare industry, construction, city, town council and telecommunication industries.



(Registration No. 200201024235 (591898-H))

A14. Changes in Contingent Liabilities

	31 Mar 2020 RM'000
Guarantees given by the Company for credit facilities granted to subsidiaries	12,158 =====

A15. Significant Related Party Transaction

The Group has no related party transactions which would have material impact on the financial position and business of the Group during the current quarter under review except the following:-

	Individual quarter ended		Cumulative quarter ended	
	31 Mar 2020	31 Mar 2020	31 Mar 2020	31 Mar 2020
	RM'000	RM'000	RM'000	RM'000
Transactions between the Group with a company in which a ex-director has a substantial interest				
novaC2R Pte Ltd				
- Purchase of scanning services	-	89	-	355
	=====	=====	=====	=====



(Registration No. 200201024235 (591898-H))

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

B1. Performance Review

Continuing Operation - Current Quarter vs. Previous Year Corresponding Quarter

For the current quarter ended 31 March 2020, the Group recorded revenue of approximately RM6.7 million, which represented an approximately 59% decrease as compared to the revenue for preceding year’s corresponding quarter period ended 31 December 2019 of RM10.7 million. This was mainly due to lower revenue recognized in the current quarter arising from a review of the revised expected implementation milestone for certain projects after taking into account the current COVID-19 situation.

In line with the lower revenue and coupled with an allowance for expected credit loss for certain contract assets and trade receivables of approximately RM1.7 million, the Group recorded a fourth quarter loss before taxation of approximately RM6.1 million which was higher than the loss before taxation of approximately RM2.7 million recorded for the preceding year’s corresponding quarter.

Continuing Operation - Current Year-to-date vs Previous Year-to-date

The Group recorded a lower revenue of approximately RM39.3 million for the 12 months period ended 31 March 2020, as compared to revenue of approximately RM53.0 million for the preceding year’s corresponding 12 months period ended 31 March 2019. The lower revenue recorded in the current period under review was mainly due to lower revenue recognition following a review of the revised expected implementation milestone for certain projects after taking into account the current COVID-19 situation.

The Group recorded a loss before taxation of approximately RM4.2 million for the 12 months ended 31 March 2020 as compared to the preceding year’s profit before taxation of approximately RM2.7 million. The decrease was mainly due to lower revenue achieved and an allowance for expected credit loss for the contracts and trade receivables of approximately RM1.7 million on ground of prudence in the light of the current evolving COVID-19 situation.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 31 Mar 2020 RM’000	Preceding Quarter 31 Dec 2019 RM’000	Difference (%)
Continuing Operations			
Revenue	6,727	9,800	(31%)
(Loss)/profit before taxation	(6,136)	1,045	n.m.

The Group recorded revenue of approximately RM6.7 million in the current quarter, which was significantly lower than that recorded in the preceding quarter ended 31 Decemver 2019 of RM 9.8 million. This was mainly due to lower revenue recognized following a review of the revised expected implementation milestone for certain projects after taking into account the current COVID-19 situation.

The Group recorded a loss before taxation of approximately RM6.1 million for the current quarter as compared to a profit before taxation of RM1.0 million in the immediate preceding quarter due to lower revenue recognized and an allowance for expected credit loss for the contracts and trade receivables of approximately RM1.7 million on ground of prudence in the light of the current evolving COVID-19 situation.

The Group’s order book amounted to approximately RM86 million as at 31 March 2020 as compared to approximately RM107 million as at the end of immediate preceding quarter.

B3. Prospect

The evolving COVID-19 outbreak and the measures undertaken by the various countries to restrict the movement of people will adversely affect business sentiments and operation. Admidst an unprecedented global pandemic and disruption to the economies, the Group expect the outlook for the next 12 months to be challenging. The Group will continue to undertake cautious measures, focus on cash flow management and our project delivery while embarking on efforts to diversify our product offerings to the changing markets.



(Registration No. 200201024235 (591898-H))

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 Mar 2020 RM'000	Cumulative Quarter ended 31 Mar 2019 RM'000
i) Depreciation and amortization	6,268	4,441
ii) Foreign exchange (gain)/loss	(555)	(210)
iii) Provision for and write off of receivables	(241)	(310)
iv) Provision for and write off of contract assets	(1,480)	-
v) Goodwill impairment	-	-
vi) Impairment of intangible asset	-	(160)
vii) Exceptional items	-	-

B8. Taxation from continuing operation

	Individual quarter ended		Cumulative quarter ended	
	31 Mar 2020 RM'000	31 Mar 2019 RM'000	31 Mar 2020 RM'000	31 Mar 2019 RM'000
Current taxation charge	-	(1)	-	(1)
Under provision in prior year tax	(16)	(13)	(16)	(13)
	-----	-----	-----	-----
Tax expenses (charge)/write back	(16)	(14)	(16)	(14)
	=====	=====	=====	=====

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.



(Registration No. 200201024235 (591898-H))

B9. Group Borrowings and Debt Securities

The total borrowings of the Group as at 31 March 2020 are as follows:

	RM'000
Payable within 12 months	
<i>Term Loans</i>	12,158
	=====

The term loan was secured by corporate guarantee by the Company.

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:-

<u>Number of options over ordinary shares of RM0.10</u>						As at
<u>Option</u> <u>Grant date</u>	<u>Option</u> <u>Expiry date</u>	<u>Exercise price</u>	Granted	Exercised	Forfeited	31.03.20
02.6.2016	17.11.2025	RM 0.0728	15,000,000	-	(10,500,000)	4,500,000
02.5.2018	17.11.2025	RM 0.0656	23,000,000	-	(49,979)	22,950,021
30.8.2018	17.11.2025	RM 0.1238	25,300,000	-	(19,000,000)	6,300,000

Number of options exercisable as at 31 March 2020 is 33,750,021.

(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 31 March 2020 are as follows:-

Purpose	Amount raised (RM'000)	Amount utilized (RM'000)
Repayment of Borrowings	7,500	-
Operating and capital expenditures for secured IT Contracts	2,776	-
Overseas expansion of FORNAX Systems	3,000	-
Professional fee related to the above Proposals	700	573
Total	13,976	573



(Registration No. 200201024235 (591898-H))

B11. Earning Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31 Mar 2020	Preceding year corresponding quarter 31 Mar 2019	Current year to date 31 Mar 2020	Preceding year corresponding period 31 Mar 2019
(a) Basic earnings per share				
Net profit/(loss) attributable to shareholders (RM'000)	(5,780)	1,138	(3,481)	8,234
Weighted average number of ordinary shares ('000)	751,565	751,565	751,565	736,028
Basic earnings per share (sen)	(0.77)	0.15	(0.46)	1.11
(b) Diluted earnings per share				
Net (loss)/profit attributable to shareholders (RM'000)	(5,780)	1,138	(3,481)	8,234
Weighted average number of ordinary shares ('000)	751,565	751,565	751,565	736,028
Effect of dilution on stock options ('000)	383,183	4,500	383,183	9,781
Adjusted weighted average number of ordinary shares in issues (diluted) ('000)	1,134,748	756,065	1,134,748	745,810
Diluted earnings per share (sen)	N.M.	0.15	N.M.	1.10

*N.M.: Diluted earnings per share was not calculated as the outstanding ESOS options were considered to be anti-dilutive

By the Order of the Board

Tan Kean Wai (MAICSA 7056310)
Company Secretary
Kuala Lumpur

28th July 2020