



(Registration No. 200201024235 (591898-H))

QUARTERLY REPORT

Condensed Consolidated Statement of Comprehensive Income For the fourth quarter ended 31 March 2021

Group	Individual Quarter ended		Cumulative Quarter ended	
	Unaudited 31 Mar 2021 RM'000	Unaudited 31 Mar 2020 RM'000	Unaudited 31 Mar 2021 RM'000	Unaudited 31 Mar 2020 RM'000
Revenue	8,497	6,727	32,498	39,333
Material cost	(800)	(2,809)	(4,384)	(7,700)
Depreciation and amortization	(1,711)	(1,180)	(7,272)	(5,508)
Employee benefits expenses	(7,706)	(4,540)	(25,356)	(20,658)
Other operating expenses	(2,219)	(3,895)	(9,283)	(8,624)
Interest expenses	(87)	(298)	(583)	(821)
Interest income	58	-	186	-
Other income	433	-	3,183	-
Share of results of associates	15	(31)	156	(63)
Loss before taxation	(3,520)	(6,026)	(10,855)	(4,041)
Tax expense	(38)	(16)	(38)	(16)
Net Loss for the period	(3,558)	(6,042)	(10,893)	(4,057)
Other comprehensive income:				
Exchange differences on translating foreign operations	273	(324)	376	(17)
Total Comprehensive Income	(3,285)	(6,366)	(10,517)	(4,074)
Net Loss attributable to:				
Equity Holders of Company	(3,078)	(5,670)	(9,919)	(3,371)
Non-controlling interest	(480)	(372)	(974)	(686)
	(3,558)	(6,042)	(10,893)	(4,057)
Total comprehensive income attributable to:				
Equity Holders of Company	(2,801)	(5,993)	(9,541)	(3,390)
Non-controlling interest	(484)	(373)	(976)	(684)
	(3,285)	(6,366)	(10,517)	(4,074)
Loss per ordinary share (sen):				
- Basic	(0.27)	(0.75)	(1.02)	(0.45)
- Diluted	-	-	-	-

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.



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Condensed Consolidated Statement of Financial Position

Group	Unaudited 31 Mar 2021 RM'000	Audited 31 Mar 2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	922	1,310
Right-of-Use assets	1,019	2,845
Intangible assets	30,193	26,264
Goodwill on consolidation	256	252
Investment in associates	405	697
	32,795	31,368
Current assets		
Contract assets	24,984	35,958
Trade and other receivables	8,155	17,868
Tax recoverable	3	3
Cash and cash equivalents	20,079	14,758
	53,221	68,587
TOTAL ASSETS	86,016	99,955
EQUITY & LIABILITIES		
Equity and reserves		
Ordinary Shares	102,913	87,619
Preference Shares	10,149	13,976
Reserves	(45,565)	(36,024)
	67,497	65,571
Non-Controlling Interest	(395)	458
Total Equity	67,102	66,029
Non-current liabilities		
Lease liabilities	33	1,079
	33	1,079
Current liabilities		
Contract liabilities	4,179	1,499
Trade and other payables	6,568	17,341
Borrowings	7,082	12,158
Lease liabilities	1,052	1,849
	18,881	32,847
Total liabilities	18,914	33,926
TOTAL EQUITY AND LIABILITIES	86,016	99,955
Net assets per share (RM)	0.0587	0.0872

The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the annual audited financial statements for the year ended 31 March 2020 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 Mar 2021
(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 2020	87,619	13,976	2,235	9,887	(48,146)	65,571	458	66,029
Profit for the period	-	-	-	-	(9,919)	(9,919)	(974)	(10,893)
Foreign Currency Translation	-	-	-	378	-	378	(2)	376
ESOS lapsed	-	-	(138)	-	138	-	-	-
Capital contribution by non-controlling interests	-	-	-	-	-	-	121	121
Issuance of ordinary shares								
- Exercise of ICPS conversion	3,827	(3,827)	-	-	-	-	-	-
- Additional price paid for ICPS conversion	11,467	-	-	-	-	11,467	-	11,467
At 31 March 2021	102,913	10,149	2,097	10,265	(57,927)	67,497	395	69,173
At 1 April 2019	87,619	-	2,272	9,906	(43,879)	55,918	346	56,264
Profit for the period	-	-	-	-	(3,370)	(3,370)	(686)	(4,057)
Foreign Currency Translation	-	-	-	(19)	-	(19)	2	(17)
Issuance of ICPS	-	13,976	-	-	-	13,976	-	13,976
ICPS Share issuance expenses	-	-	-	-	(574)	(574)	-	(574)
ESOS lapsed	-	-	(37)	-	37	-	-	-
Additional investment in subsidiary	-	-	-	-	(360)	(360)	812	452
Disposal of subsidiary	-	-	-	-	-	-	(15)	(15)
At 31 March 2020	87,619	13,976	2,235	9,887	(48,146)	65,571	458	66,029

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 2020 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 Mar 2021

(Unaudited)

Group	Year To Date ended	Year To Date Ended
	31 Mar 2021 RM'000	31 Mar 2020 RM'000
Profit for the period	(10,893)	(4,041)
Adjustments for :-		
Non-cash items	7,272	7,144
Non-operating items	362	876
Operating loss before working capital changes	(3,259)	3,980
Net change in current assets	23,367	(3,890)
Net change in current liabilities	(10,773)	1,559
Interest paid	(485)	(821)
Tax paid	(37)	(20)
Net cash generated in operating activities	8,813	807
Investing activities		
Purchase of property, plant and equipment	(135)	(673)
Interest received	186	-
Issuance of additional shares in subsidiary	121	452
Disposal of subsidiary	-	2
Dividend received from associate	458	-
Addition of software development expenditure, net of grant	(8,495)	(8,185)
Net cash generated in investing activities	(7,865)	(8,404)
Financing activities		
Issuance of ICPS	-	13,976
ICPS share issuance expenses	-	(574)
Proceeds from conversion of ICPS	11,467	-
Payment of lease liabilities	(1,940)	(1,719)
Proceeds/(Repayment) of short term borrowing, net	(5,234)	4,511
Net cash generated/(use) in financing activities	4,293	16,193
Net changes in cash and cash equivalents	5,241	8,596
Cash and cash equivalents at beginning of financial year	14,758	6,344
Effect of exchange rate changes on opening balance	80	(182)
Cash and cash equivalents at end of the financial period	20,079	14,758
Cash and cash equivalents at end of financial period comprise of:		
Cash and bank balance	20,079	14,758

The unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the annual audited financial statements for the year ended 31 March 2020 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 2020.

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 2020. 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.

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 Jan 2020)

Amendments to MFRS 101 and MFRS 108: Definition of a Material (1 Jan 2020)

Amendments to MFRS 9, MFRS 139 and MFRS 7 - Interest Rate Benchmark Reform (1 Jan 2020)

Amendment to MFRS 16 Leases - Covid-19 - Related Concessions (1 Jun 2021)

MFRS 17 Insurance Contracts (1 Jan 2021)

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 31st March 2021.

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 2021 and 28th June 2021 that would be required to be reflected in the financial statement for the quarter ended 31st March 2021.

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 2021 RM'000
Guarantees given by the Company for credit facilities granted to subsidiaries	7,082 =====

A14. 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.



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A15. Segmental Information

<i>RM'000</i>	<i>Malaysia</i>	<i>Overseas</i>	<i>Elimination</i>	<i>Consolidated</i>
<i>2020</i>				
Revenue				
- External	5,223	27,276	-	32,498
- Internal	967	6,959	(7,925)	-
Total Revenue	6,190	34,235	(7,925)	32,498
Result				
- Segment Result	(15)	(10,599)	-	(10,614)
- Share of associate result				156
- Interest income				186
- Interest expense				(583)
Profit/(loss) before tax				(10,855)
Tax				(38)
Profit/(loss) after tax				(10,893)
Segment assets	46,504	68,685	(29,173)	86,016
Segment liabilities	1,061	17,853	-	18,914
Other information				
- Capital Expenditure	17	8,614	-	8,631
- Depreciation and amortization	260	7,012	-	7,272

<i>RM'000</i>	<i>Malaysia</i>	<i>Overseas</i>	<i>Elimination</i>	<i>Consolidated</i>
<i>2019</i>				
Revenue				
- External	7,585	31,748	-	39,333
- Internal	130	5,836	(5,966)	-
Total Revenue	7,715	37,584	(5,966)	39,333
Result				
- Segment Result	232	(3,138)	(268)	(3,174)
- Share of associate result				(63)
- Interest income				-
- Interest expense				(821)
Profit/(loss) before gain on disposal				(4,058)
Gain on disposal				17
Profit/(loss) before tax				(4,041)
Tax				(16)
Profit/(loss) after tax				(4,057)
Segment assets	68,729	61,335	(30,109)	99,955
Segment liabilities	5,284	28,642	-	33,926
Other information				
- Capital Expenditure	178	8,680	-	8,858
- Depreciation and amortization	221	5,287	-	5,508



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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

The Group recorded revenue of approximately RM8.5 million for the current quarter under review due to higher project milestones and delivery schedules achieved as compared to the revenue of approximately RM6.7 million achieved for the preceding year’s corresponding quarter period ended 31 March 2020. In line with the improvement in revenue, the Group registered a lower loss before taxation of RM3.5 million in the current quarter as compared to the loss before taxation of approximately RM 6.0 million for the preceding year’s corresponding quarter.

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

For the 12 months ended 31 March 2021, the Group recorded revenue of RM32.5 million, representing an approximately 17% decrease as compared to the revenue for the 12 months period ended 31 March 2020 of RM39.3 million. The Group recorded a higher loss before taxation of approximately RM10.9 million as compared to a loss before taxation of approximately RM4.0 million recorded for the preceding year’s corresponding period. Both the revenue and profitability was negatively impacted by the COVID-19 pandemic situation which caused workforce disruption that led to delays in project milestones and delivery schedules. The weak business environment arising from the pandemic also led to higher impairment for receivables, though the Group was able to offset its operating cost by government wage subsidies received during the period.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 31 Mar 2021 RM’000	Preceding Quarter 31 Dec 2020 RM’000	Difference (%)
Revenue	8,497	5,751	47%
Loss before taxation	(3,520)	(7,942)	56%

In the current quarter under review, the Group achieved a higher quarterly revenue of RM8.5 million as compared to RM5.8 million recorded in the preceding quarter ended 31 December 2020 due to higher project milestones and delivery schedules achieved. The Group also recorded a lower loss before taxation for the current quarter under review due to the improved revenue and lower impairment for receivables.

The Group’s order book amounted to approximately RM77 million as at 31 March 2021 as compared to approximately RM79 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. Amidst 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.



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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 Mar 2021 RM'000	Cumulative Quarter ended 31 Mar 2021 RM'000
i) Depreciation and amortization	1,711	7,272
ii) Foreign exchange (gain)/loss	(384)	294
iii) Provision for and write off of receivables	1,090	4,826
iv) Provision for and write off of contract assets	342	342
v) Goodwill impairment	-	-
vi) Impairment of intangible asset	-	-
vii) Exceptional items	-	-

B8. Taxation from continuing operation

	Individual quarter ended		Cumulative quarter ended	
	31 Mar 2021 RM'000	31 Mar 2020 RM'000	31 Mar 2021 RM'000	31 Mar 2020 RM'000
Current taxation charge	-	-	-	-
Under provision in prior year tax	38	16	38	16
	-----	-----	-----	-----
Tax expenses (charge)/write back	38	16	38	16
	=====	=====	=====	=====

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.



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B9. Group Borrowings and Debt Securities

The total borrowings of the Group as at 31 Mar 2021 are as follows:

	RM'000
Payable within 12 months	
<i>Term Loans</i>	7,082
	=====

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>Option Grant date</u>	<u>Option Expiry date</u>	<u>Exercise price</u>	<u>Number of options over ordinary shares of RM0.10</u>			As at 31.03.21
			Granted	Exercised	Forfeited	
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	-	(20,300,000)	5,000,000

Number of options exercisable as at 31 March 2021 is 32,450,021.

(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 2021 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	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
(a) Basic earnings/(loss) per share				
Net profit/(loss) attributable to shareholders (RM'000)	(3,078)	(5,670)	(9,919)	(3,371)
Weighted average number of ordinary shares ('000)	1,127,891	751,565	975,318	751,565
Basic earnings per share (sen)	(0.27)	(0.75)	(1.02)	(0.45)

(b) Diluted earnings per share

The impact from share options and ICPS on the loss per share for the financial year ended 31 March 2021 and the financial year ended 31 March 2020 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

28th June 2021